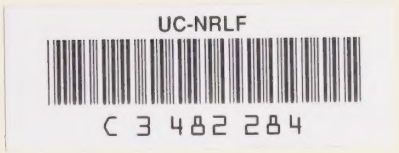
A2334
NRLF
2007/2008
IGSL



Annual Financial Report

County of Stanislaus, California

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

JAN 05 2009

UNIVERSITY OF CALIFORNIA

Stanislaus County

Striving to be the Best

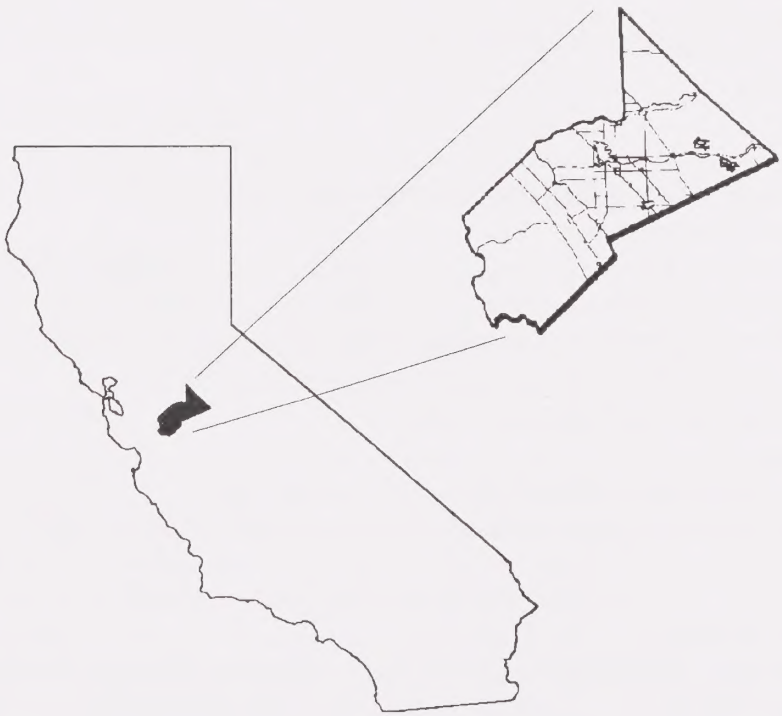
Fiscal Year Ended June 30, 2008

Digitized by the Internet Archive
in 2026 with funding from
State of California and California State Library

https://archive.org/details/igsl_acfr-stanislaus-cty_2008

Annual Financial Report

County of Stanislaus, California
Fiscal Year Ended
June 30, 2008



Prepared By
Stanislaus County Auditor-Controller's Office
Larry D. Haugh, Auditor-Controller

COUNTY OF STANISLAUS

Annual Financial Report

For the Fiscal Year Ended June 30, 2008

TABLE OF CONTENTS

Financial Section:

Independent Auditors' Report 1

Management's Discussion and Analysis (Required Supplementary Information) 3

Basic Financial Statements:

Government-wide Financial Statements:
- Statement of Net Assets 15
- Statement of Activities 16

Fund Financial Statements:

Governmental Funds:
- Balance Sheet 18
- Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets 19
- Statement of Revenues, Expenditures and Changes in Fund Balances 20
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 21
- Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual on the Budgetary Basis:
  - General Fund 22
  - Behavioral Health and Recovery Special Revenue Fund 30
  - Community Services Agency Special Revenue Fund 31

Proprietary Funds:
- Statement of Net Assets 32
- Statement of Revenues, Expenses and Changes in Fund Net Assets 33
- Statement of Cash Flows 34

Fiduciary Funds:
- Statement of Fiduciary Net Assets 36
- Statement of Changes in Fiduciary Net Assets 37

Notes to the Basic Financial Statements 38

Required Supplementary Information 85

COUNTY OF STANISLAUS

Annual Financial Report

For the Fiscal Year Ended June 30, 2008

TABLE OF CONTENTS

Combining and Individual Fund Statements:

Nonmajor Governmental Funds:
- Combining Balance Sheet 87
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances 88

Nonmajor Special Revenue Funds:
- Combining Balance Sheet 90
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances 92

Nonmajor Enterprise Funds:
- Combining Statement of Net Assets 95
- Combining Statement of Revenues, Expenses and Changes in Fund Net Assets 96

Internal Service Funds:
- Combining Statement of Net Assets 98
- Combining Statement of Revenues, Expenses and Changes in Fund Net Assets 100

Statistical Information:

Government-wide:
- Net Assets by Component 103
- Changes in Net Assets 104
- Governmental Activities - Tax Revenues by Source 106

Fund Information:
- Fund Balances of Governmental Funds 107
- Changes in Fund Balances of Governmental Funds 108

Property Taxes:
- Net Assessed and Estimated Actual Value of Taxable Property 109
- Property Tax Rates and Distribution of General Levy Property Tax Rate Among Direct and Overlapping Governments 110
- Principal Property Taxpayers 111
- Property Tax Levy and Collections 112

Debt Capacity:
- Legal Debt Margin 113
- Estimated Direct and Overlapping Bonded Debt 114

Demographic and Economic Information:
- Miscellaneous Statistical Data 115

Stanislaus
County
Striving to be the Best

Financial Section

BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

BROWN ARMSTRONG
PAULDEN MCCOWN STARBUCK THORNBURGH & KEETER
CERTIFIED PUBLIC ACCOUNTANTS

Main Office
4200 Truxtun Ave., Suite 300
Bakersfield, California 93309
Tel 661-324-4971 Fax 661-324-4997
e-mail: info@bacpas.com

Shafter Office
560 Central Avenue
Shafter, California 93263
Tel 661-746-2145 Fax 661-746-1218

Andrew J. Paulden, CPA
Peter C. Brown, CPA
Burton H. Armstrong, CPA, MST
Steven R. Starbuck, CPA
Aileen K. Keeter, CPA
Chris M. Thornburgh, CPA
Eric H. Xin, MBA, CPA
Richard L. Halle, CPA, MST

Harvey J. McCown, MBA, CPA
Lynn R. Krausse, CPA, MST
Rosalva Flores, CPA
Connie M. Perez, CPA
Diana H. Branthoover, CPA
Thomas M. Young, CPA
Alicia Dias, CPA, MBA
Matthew R. Gilligan, CPA
Hanna J. Sheppard, CPA
Ryan L. Nielsen, CPA
Jian Ou-Yang, CPA
Ryan S. Johnson, CPA
Jialan Su, CPA
Ariadne S. Prunes, CPA
Samuel O. Newland, CPA
Brooke N. DeCuir, CPA
Kenneth J. Witham, CPA
Clint W. Baird, CPA

INDEPENDENT AUDITOR'S REPORT

To the Honorable Grand Jury and Board of Supervisors
of the County of Stanislaus, California

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, the aggregated remaining fund information, of the County of Stanislaus, California, (the County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in the notes to the financial statements, the County adopted the provisions of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27.*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregated remaining fund information of the County of Stanislaus, California, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The *management's discussion and analysis* as listed in the accompanying table of contents is not a required part of the County's basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules and the statistical section identified in the table of contents, where applicable, are presented for the purposes of additional analysis and are not a required part to the basic financial statements. The information in the statistical section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion on it. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2008, on our consideration of the County of Stanislaus' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

Bakersfield, California
December 10, 2008

Management's Discussion and Analysis

COUNTY OF STANISLAUS
Management's Discussion and Analysis

As management of the County of Stanislaus (County), we offer this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2008. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2007-2008 fiscal year by $739 million (*net assets).* Of this amount, $459 million is invested in capital assets net of related debt and $214 million is restricted for specific purpose (*restricted net assets*), leaving $66 million in unrestricted net assets.

- The government's total net assets increased by $19 million.

- As of June 30, 2008, the County governmental funds reported combined fund balances of $453 million, an increase of $11 million from the prior year. Approximately 79% of the combined fund balances, or $357 million is available to meet the County's current and future needs (*unreserved fund balance).*

- At the end of the fiscal year, unreserved fund balance for the General Fund was $61 million, or 23% of total General Fund expenditures and transfers.

- The County's total long-term debt decreased by $13 million in fiscal year 2007-2008 due to annual debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. There are three components to the County's basic financial statements 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other supplementary information.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all County assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services. The business-type activities of the County include the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Stanislaus Behavioral Health Center, Inmate Welfare/Commissary and Transit.

The government-wide financial statements include not only the County (known as the primary government), but also legally separate entities (component units) for which the County is financially accountable. There are five component units included in these financial statements. The Redevelopment Agency, Stanislaus County Capital Improvements Financing Authority, Stanislaus County Tobacco Funding Corporation, In-Home Supportive Services Public Authority and the Lighting Districts, although legally separate, function for all practical purposes as departments of the County and therefore, are included as an integral part of the primary government.

The government-wide financial statements can be found on pages 15-17 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds, proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

For the governmental funds, information is presented separately for the General Fund, Tobacco Settlement, Behavioral Health and Recovery Services, Community Services Agency, and Public Facility Fees, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

The County adopts an annual appropriated budget for its General Fund and most of its Special Revenue Funds. Budgetary comparison statements have been provided in this report for the General Fund and the major Special Revenue Funds.

The governmental funds financial statements can be found on pages 18-31 of this report

Proprietary funds are divided into two types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Stanislaus Behavioral Health Center, Inmate Welfare/Commissary and Transit activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance activities, Central Services, Fleet Services, Technology and Communication, and Morgan Shop Garage. All of these activities, except the Professional Liability Self-insurance Fund, predominantly benefit governmental functions and have been included within *governmental activities* in the government-wide financial statements. The Professional Liability Insurance Fund predominantly benefits business type functions and is included within the *business-type* activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Fink and Geer Road Landfills, and the Health Clinics and Ancillary Services Fund are considered to be major funds of the County. The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary funds financial statements can be found on pages 32-35 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds.

The fiduciary fund financial statements can be found on pages 36-37 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 38-83 of this report.

The combining and individual fund statements referred to earlier provide information for non-major governmental funds, enterprise and internal service funds and are presented following the notes to the financial statements. Combining and individual fund statements can be found on pages 87-101 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $739 million at the close of the 2007-2008 fiscal year.

By far the largest portion of the County's net assets (62%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Stanislaus Net Assets

	Governmental Activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	$ 569,749,130	$ 546,519,103	$ 50,871,465	$ 36,259,578	$ 620,620,595	$ 582,778,681
Capital assets	529,946,177	548,872,620	24,290,944	30,127,815	554,237,121	579,000,435
Total assets	1,099,695,307	1,095,391,723	75,162,409	66,387,393	1,174,857,716	1,161,779,116
Long-term liabilities outstanding	336,291,719	346,352,070	2,649,167	3,402,021	338,940,886	349,754,091
Other liabilities	62,095,709	57,218,818	34,928,441	37,091,866	97,024,150	94,310,684
Total liabilities	398,387,428	403,570,888	37,577,608	40,493,887	435,965,036	444,064,775
Net assets:						
Invested in capital, net of related debt	435,204,374	464,402,025	23,544,958	29,205,014	458,749,332	493,607,039
Restricted	193,992,595	163,255,952	20,404,464	18,925,816	214,397,059	182,181,768
Unrestricted	72,110,910	64,162,858	(6,364,621)	(22,237,324)	65,746,289	41,925,534
Total net assets	701,307,879	691,820,835	37,584,801	25,893,506	738,892,680	717,714,341
Restatement of Equity - prior period adj	-	2,029,585	-	-	-	2,029,585
Net assets including restatement	$ 701,307,879	$ 693,850,420	$ 37,584,801	$ 25,893,506	$ 738,892,680	$ 719,743,926

Another significant portion of the County's net assets, $214 million, or 29% represents resources that are subject to external restrictions on how they may be used. The remaining $66 million of the County's net assets are unrestricted. At the end of the current fiscal year, the County is able to report, in total, positive balances in all three categories of net assets.

The County's total net assets increased by $19 million during the current fiscal year as revenues exceeded expenses by that amount.

For business-type activities, the County reported a negative balance of $6 million in unrestricted net assets. The positive variance of $16 million from the prior year's negative unrestricted net assets is due to new funding and the sale of Stanislaus Behavioral Health Center.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

Governmental activities Governmental activities increased the County's net assets by $7 million, as the amount of revenues exceeded expenses.

The increased revenue came from an increase in property taxes.

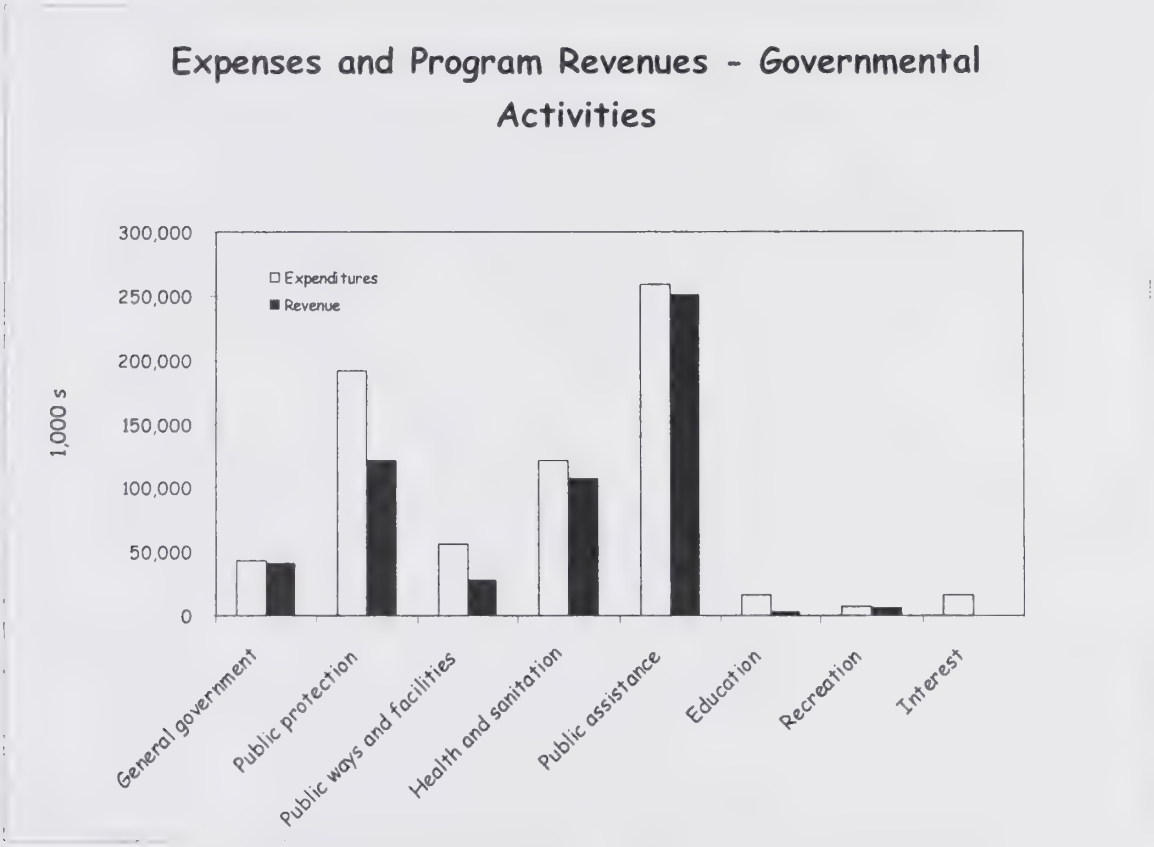
The following table indicates the changes in net assets for governmental and business-type activities:

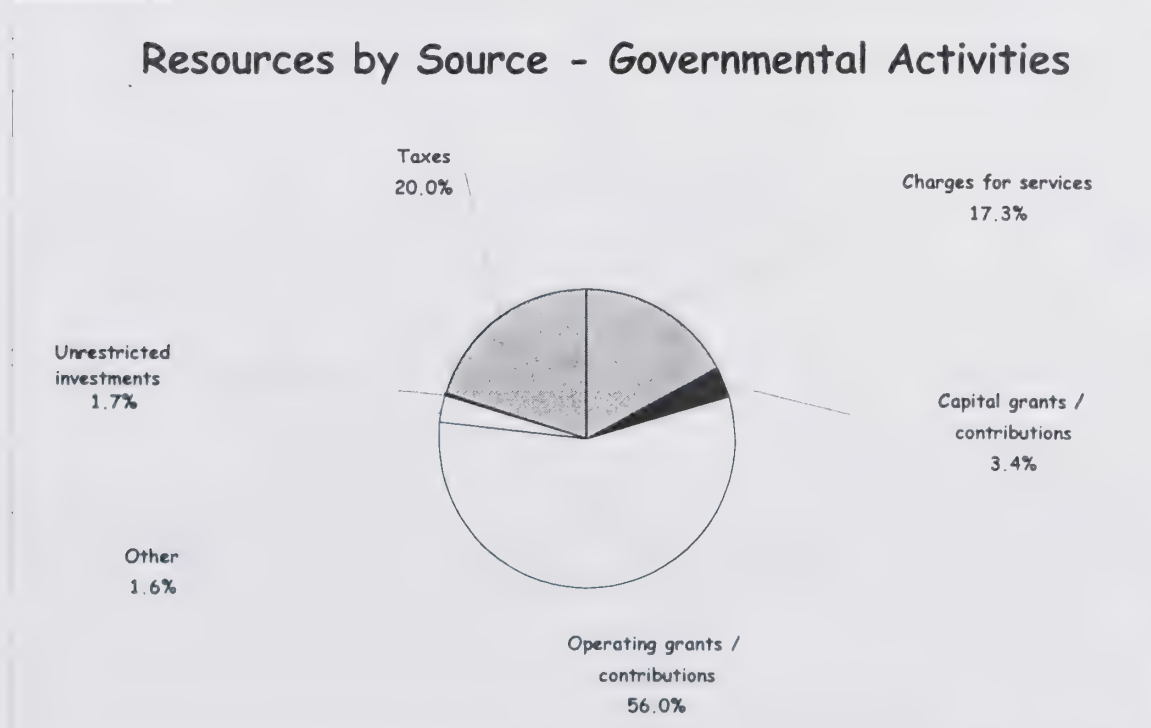
County of Stanislaus Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	$126,103,519	$122,739,381	$51,196,939	$53,673,010	$177,300,458	$176,412,391
Operating grants and contributions	407,883,255	388,750,336	2,567,553	1,906,353	410,450,808	390,656,689
Capital grants and contributions	24,598,071	23,998,543	742,258		25,340,329	23,998,543
General revenues:						
Property taxes	113,743,380	106,497,765			113,743,380	106,497,765
Sales taxes	29,552,774	32,520,456	2,528,268	2,626,260	32,081,042	35,146,716
Other taxes	2,583,804	3,390,027			2,583,804	3,390,027
Unrestricted investment earnings	11,247,849	13,903,636	943,553	848,117	12,191,402	14,751,753
Grants/contributions not restricted	2,593,701	2,635,502			2,593,701	2,635,502
Other general revenue	10,011,674	9,516,094			10,011,674	9,516,094
Total revenues	728,318,027	703,951,740	57,978,571	59,053,740	786,296,598	763,005,480
Expenses:						
General government	43,025,653	40,326,944	-		43,025,653	40,326,944
Public protection	191,239,717	179,232,723	-		191,239,717	179,232,723
Public ways and facilities	55,988,788	48,425,573	-		55,988,788	48,425,573
Health and sanitation	121,365,271	117,136,073	-		121,365,271	117,136,073
Public assistance	259,362,079	234,184,853	-		259,362,079	234,184,853
Education	15,610,881	13,230,701	-		15,610,881	13,230,701
Recreation	6,879,842	5,172,418	-		6,879,842	5,172,418
Interest on long-term debt	16,122,979	18,532,357	-		16,122,979	18,532,357
Landfills	-		4,561,797	4,495,812	4,561,797	4,495,812
Behavioral health	-		3,403,472	14,981,467	3,403,472	14,981,467
Health clinics and ancillary	-		44,898,435	46,566,334	44,898,435	46,566,334
Inmate welfare and commissary	-		1,555,411	1,553,968	1,555,411	1,553,968
Transit	-		3,133,519	2,879,015	3,133,519	2,879,015
Total expenses	709,595,210	656,241,642	57,552,634	70,476,596	767,147,844	726,718,238
Net asset increase (decrease) before transfers	18,722,817	47,710,098	425,937	(11,422,856)	19,148,754	36,287,242
Transfers	(11,265,358)	(14,124,658)	11,265,358	14,124,658	-	-
Change in net assets	7,457,459	33,585,440	11,691,295	2,701,802	19,148,754	36,287,242
Net assets – July 1, restated	693,850,420	658,235,395	25,893,506	23,191,704	719,743,926	681,427,099
Net assets – June 30	$701,307,879	$691,820,835	$37,584,801	$25,893,506	$738,892,680	$717,714,341

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

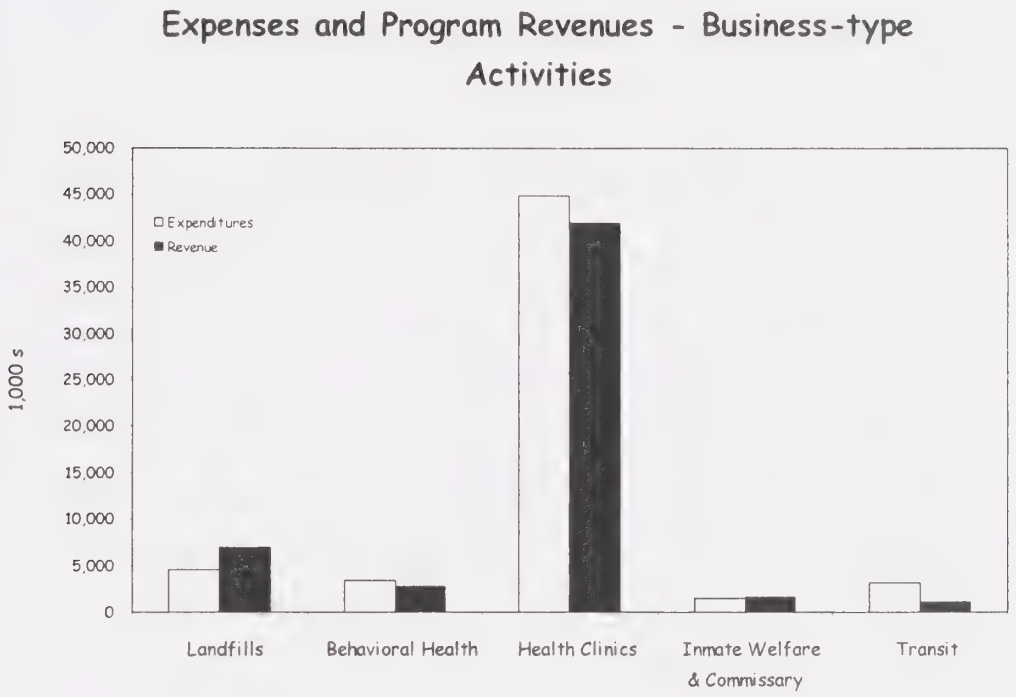
Governmental activities (Cont.)

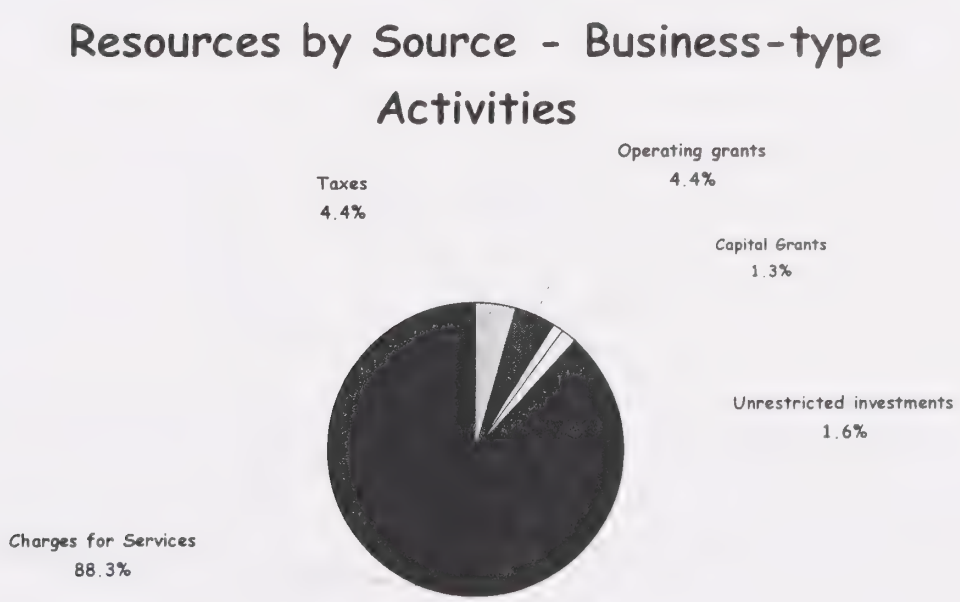




GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

Business-type activities





FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses ***fund accounting*** to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the general, special revenue, debt service, and capital projects funds. Included in these funds are the special districts governed by the County Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2008, the County's governmental funds reported combined fund balances of $453 million, an increase of $11 million in comparison with the prior year. A part of this increase is a result of proceeds of sale transferred from the Stanislaus Behavioral Health Center Enterprise Fund. The balance of the increase is due to an increase in taxes and penalties on delinquent taxes.

Approximately 79% ($357 million) of the combined fund balances constitutes *unreserved fund balance,* which is available for spending by the government. The remainder of fund balance is *reserved* to indicate that it is *not* available for new spending because it has been committed:

1) to pay debt service $15.3 million
2) to capital projects $5.5 million
3) to liquidate contracts and purchase orders of the prior period $17.7 million
4) to reflect amount due from other funds that are long-term in nature and thus do not represent available spendable resources $0.5 million
5) to reflect long term receivables for delinquent taxes due from taxpayers $42.3 million
6) to reflect amounts loaned to other governments that are long-term and do not represent available resources $3 million
7) to a variety of other restricted purposes $11.6 million.

The General Fund is the chief operating fund of the County. At June 30, 2008, unreserved fund balance of the General Fund was $61 million while total fund balance was $124 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 23% of total fund expenditures and transfers, while total fund balance represents 46% of that same amount.

The County's management also designates (earmarks) unreserved fund balance to a particular function, project, activity or for purposes beyond the current year. However, designated fund balance is available for appropriation at any time. Of the $61 million General Fund unreserved fund balance, 86% is designated. Unreserved, undesignated fund balance at year-end was $8 million compared to $23 million at June 30, 2007.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (Cont.)

The total fund balance of the County's General Fund increased by $7 million during the current fiscal year, due to an increase in taxes and penalties on delinquent taxes.

The debt service funds have a total fund balance of $16 million. Most of the debt service fund balance is reserved for debt service payment, consistent with prior years.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The following table shows actual revenues, expenses and results of operations for the current fiscal year:

	Stanislaus County Proprietary Funds				
	Major Funds			Non-major	
	Fink Road Landfill	Geer Road Landfill	Health Clinics & Ancillary	Other Enterprise Funds	Total
Operating revenues	$ 5,976,090	$ -	$ 39,201,032	$ 4,611,592	$49,788,714
Operating expenses	4,561,084	711	48,620,964	8,092,398	61,275,157
Operating income (loss)	1,415,006	(711)	(9,419,932)	(3,480,806)	(11,486,443)
Non-operating revenues (expenses), net	1,516,518	181,758	(472,553)	9,412,290	10,638,013
Net income (loss) before contributions and transfers	2,931,524	181,047	(9,892,485)	5,931,484	(848,430)
Contributions and transfers	(104,520)	450,000	16,927,185	(4,223,502)	13,049,163
Net income	$ 2,827,004	$631,047	$ 7,034,700	$ 1,707,982	$12,200,733

The net income in the Health Clinics and Ancillary Services fund is a result of additional revenue associated with Federally Qualified Health Center Look-Alike Designation.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County appropriated $9.7 million in a contingency budget for emergencies and other unanticipated expenses as part of administrative policy. At year-end, revenues exceeded budgetary estimates in the General Fund by $8.2 million and expenditures were less than budgetary estimates.

During the year, appropriations were increased by a net $1 million resulting in a difference between the original budget and the final amended budget. The significant increase in appropriations was related to the Sheriff's Office, Elections Division and the District Attorney's Office.

The original budget for General Fund Match (transfers out) was increased by $5.9 million. The match was increased for the operational activities of the Health Services Agency Clinics and Ancillary Services and to fund the Empire Community Pool project.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounted to $554 million (net of accumulated depreciation). This investment in capital assets includes land and easements, roads, highways, bridges, park facilities, structures and improvements, and equipment. The County's total investment in capital assets for the current period decreased from the prior year due to depreciation.

Major capital asset events during the 2007-2008 fiscal year included the following:

- Completion and grand opening of the new Gallo Center for the Arts, expending $4 million on an overall $34.8 million project.
- Parks Department spent $679,000 on Woodward Reservoir infrastructure improvements.
- $2 million was budgeted in fiscal year 2007-2008 for expansion of the existing jail facilities in the Public Safety Center.
- Sale of Stanislaus Behavioral Health Center facility for $10,949,000 effective November 1, 2007.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont.)

Capital assets (Cont.)

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

County of Stanislaus Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	$ 40,002,942	$ 38,381,111	$ 15,462,882	$ 16,397,602	$ 55,465,824	$ 54,778,713
Infrastructure	297,164,563	320,833,307			297,164,563	320,833,307
Structures and improvements	111,651,629	116,183,540	4,670,698	9,525,660	116,322,327	125,709,200
Equipment	41,883,563	39,605,091	4,157,364	4,204,553	46,040,927	43,809,644
Construction in progress	39,243,480	33,869,571			39,243,480	33,869,571
Total	$ 529,946,177	$ 548,872,620	$ 24,290,944	$ 30,127,815	$ 554,237,121	$ 579,000,435

Long-term debt

At June 30, 2008, the County had total long-term debt outstanding of $285 million compared to $298 million as of June 30, 2007. The decrease of $13 million is due to annual debt service payments.

Our long-term debt ratings are an "A" from Standard and Poor's Corporation and an "A3" from Moody's Investor service.

County of Stanislaus
Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Certificates of Participation	$ 98,537,138	$ 105,236,041	$ 721,216	$ 881,656	$ 99,258,354	$ 106,117,697
Pension Obligation Bonds	55,790,000	62,975,000			55,790,000	62,975,000
Tobacco Securitization Note	103,083,611	104,733,611			103,083,611	104,733,611
Accreted Interest Tobacco Note	5,979,861	3,127,014			5,979,861	3,127,014
RDA USDA Loan	4,325,000	4,380,000			4,325,000	4,380,000
RDA 2005 Tax Allocation Bonds	14,870,000	15,615,000			14,870,000	15,615,000
RDA State Water Board Loan	1,252,295	1,388,405			1,252,295	1,388,405
Total	$ 283,837,905	$ 297,455,071	$ 721,216	$ 881,656	$ 284,559,121	$ 298,336,727

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate in the County for September 2008 was 10.5% compared to 7.5% for the State of California and 6.1% for the nation.

- Median home prices in Stanislaus County decreased 40.3% from September 2007 to September 2008. Statewide median home prices decreased 40.9% for the same period.

- Building permits issued in Stanislaus County decreased 85.6% in August 2008 compared to the prior year. Statewide issuance of building permits decreased by 60.5% for the same period.

- Unreserved, undesignated fund balance as if June 30, 2008 is $8 million, all of which has been appropriated for fiscal year 2008-2009 expenditures.

- An additional $6.5 million of unreserved, undesignated fund balance will become available as a result of a methodology change in the calculation of the required Tax Loss Reserve Fund. On September 9, 2008, the County Board of Supervisors approved the new funding level to reflect 1% of the secured taxes and assessments for the fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller's Office, 1010 Tenth Street, Suite 5100, P.O. Box 770, Modesto, CA 95353.

Basic Financial Statements

County of Stanislaus
Statement of Net Assets
June 30, 2008

	Governmental Activites	Business-type Activities	Total
ASSETS			
Cash and investments	$ 307,883,561	$ 21,208,791	$ 329,092,352
Investments with fiscal agent	121,121,714	216,181	121,337,895
Taxes receivable	52,833,123		52,833,123
Accounts receivable	50,803,410	9,060,512	59,863,922
Interest and other receivables	2,627,435	326,283	2,953,718
Deposit with others	581,730		581,730
Deferred charges	3,122,839		3,122,839
Inventory	624,020	257,204	881,224
Prepaid items	72,799	13,891	86,690
Loans to other governments	2,938,743		2,938,743
Internal balances	515,079	(515,079)	
Restricted cash and investments	10,983,192	20,303,682	31,286,874
Investments - Joint ventures	15,641,485		15,641,485
Capital assets: (net of accumulated depreciation)			
Land	40,002,942	15,462,882	55,465,824
Infrastructure	297,164,563		297,164,563
Structures and improvements	111,651,629	4,670,698	116,322,327
Equipment	41,883,563	4,157,364	46,040,927
Construction in progress	39,243,480		39,243,480
Total capital assets	529,946,177	24,290,944	554,237,121
Total assets	1,099,695,307	75,162,409	1,174,857,716
LIABILITIES			
Accounts payable	24,552,207	2,056,670	26,608,877
Salaries and benefits payable	16,626,927	1,128,472	17,755,399
Interest payable	3,126,007		3,126,007
Unearned revenue	14,427,632	8,874	14,436,506
Deposits from others	10,160	28,617	38,777
Due to other governments	3,352,776		3,352,776
Payables to external parties		18,190,553	18,190,553
Estimated cost of landfill closure/postclosure		13,515,255	13,515,255
Long-term liabilities:			
Portion due or payable within one year:			
Risk management liability - current	7,733,434	284,000	8,017,434
Capital leases - current	140,960	5,394	146,354
Compensated absences - current	1,007,207	104,500	1,111,707
Long-term obligations - current	18,021,593	168,080	18,189,673
Portion due or payable after one year:			
Risk management liability	15,669,988		15,669,988
Other post-employment benefits (OPEB)	1,487,026	262,390	1,749,416
Capital leases payable	253,085	19,376	272,461
Compensated absences	26,162,114	1,252,291	27,414,405
Long-term obligations	265,816,312	553,136	266,369,448
Total liabilities	398,387,428	37,577,608	435,965,036
NET ASSETS			
Investment in capital assets, net of related debt	435,204,374	23,544,958	458,749,332
Restricted for:			
Capital projects	119,992,671		119,992,671
Debt service	16,067,757		16,067,757
Other purposes	57,932,167	20,404,464	78,336,631
Unrestricted (deficit)	72,110,910	(6,364,621)	65,746,289
Total net assets	$ 701,307,879	$ 37,584,801	$ 738,892,680

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Activities
For the Fiscal Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 43,025,653	$ 28,325,318	$ 10,363,251	$ 2,350,319
Public protection	191,239,717	44,468,709	75,139,483	2,295,390
Public ways and facilities	55,988,788	10,880,736	563,941	17,008,522
Health and sanitation	121,365,271	33,728,583	73,755,483	283,755
Public assistance	259,362,079	4,306,559	246,286,222	
Education	15,610,881	929,447	1,472,901	625,885
Recreation	6,879,842	3,464,167	301,974	2,034,200
Interest and fiscal charges on long-term debt	16,122,979			
Total governmental activities	709,595,210	126,103,519	407,883,255	24,598,071
Business-type activities:				
Landfills	4,561,797	5,976,090	1,005,131	
Behavioral Health	3,403,472	2,747,730		
Health Clinics & Ancillary	44,898,435	40,609,257	691,538	742,258
Inmate Welfare and Commissary	1,555,411	1,576,214	63,989	
Transit	3,133,519	287,648	806,895	
Total business-type activities	57,552,634	51,196,939	2,567,553	742,258
Total Stanislaus County	$ 767,147,844	$ 177,300,458	$ 410,450,808	$ 25,340,329

General revenues:
- Taxes:
  - Property taxes
  - Property taxes in lieu vehicle license fees
  - Property taxes - unsecured
  - Sales taxes
  - Sales taxes - library
  - Sales taxes - road
  - In lieu sales tax
  - Other taxes
- Franchise fees
- Payment in lieu of taxes:
  - Open space subvention
- Unrestricted investment earnings
- Miscellaneous
- Net transfers

Total general revenues and transfers

Changes in net assets

Net assets--beginning

Prior period adjustment

Net assets--beginning, restated

Net assets--ending

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Activities
For the Fiscal Year Ended June 30, 2008

Net (Expense) Revenue and Changes in Net Assets			Functions/Programs
Governmental Activities	Business-Type Activities	Total	
			Primary government
			Governmental activities:
$ (1,986,765)	$	$ (1,986,765)	General government
(69,336,135)		(69,336,135)	Public protection
(27,535,589)		(27,535,589)	Public ways and facilities
(13,597,450)		(13,597,450)	Health and sanitation
(8,769,298)		(8,769,298)	Public assistance
(12,582,648)		(12,582,648)	Education
(1,079,501)		(1,079,501)	Recreation
(16,122,979)		(16,122,979)	Interest and fiscal charges on long-term debt
(151,010,365)		(151,010,365)	Total governmental activities
			Business-type activities:
	2,419,424	2,419,424	Landfills
	(655,742)	(655,742)	Behavioral Health
	(2,855,382)	(2,855,382)	Health Clinics & Ancillary
	84,792	84,792	Inmate Welfare and Commissary
	(2,038,976)	(2,038,976)	Transit
	(3,045,884)	(3,045,884)	Total business-type activities
$ (151,010,365)	$ (3,045,884)	$ (154,056,249)	Total Stanislaus County
			General revenues:
			Taxes:
56,310,542		56,310,542	Property taxes
55,357,938		55,357,938	Property taxes in lieu vehicle license fees
2,074,900		2,074,900	Property taxes - unsecured
14,921,158	2,528,268	17,449,426	Sales taxes
8,405,394		8,405,394	Sales taxes - library
1,198,255		1,198,255	Sales taxes - road
5,027,967		5,027,967	In lieu sales tax
2,583,804		2,583,804	Other taxes
1,126,758		1,126,758	Franchise fees
			Payment in lieu of taxes:
1,466,943		1,466,943	Open space subvention
11,247,849	943,553	12,191,402	Unrestricted investment earnings
10,011,674		10,011,674	Miscellaneous
(11,265,358)	11,265,358		Net transfers
158,467,824	14,737,179	173,205,003	Total general revenues and transfers
7,457,459	11,691,295	19,148,754	Changes in net assets
691,820,835	25,893,506	717,714,341	Net assets--beginning
2,029,585		2,029,585	Prior period adjustment
693,850,420	25,893,506	719,743,926	Net assets--beginning, restated
$ 701,307,879	$ 37,584,801	$ 738,892,680	Net assets--ending

County of Stanislaus
Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and investments	$ 56,080,860	$	$ 21,350,418	$ 5,421,458	$ 92,530,989	$ 93,882,628	$ 269,266,353
Investments with fiscal agent	1,000,087	99,485,751				20,635,877	121,121,715
Taxes receivable	52,833,124						52,833,124
Accounts receivable	14,862,690		7,528,242	7,396,308	768,163	20,203,610	50,759,013
Interest and other receivables	627,709	833,427	78,277		492,509	416,973	2,448,895
Due from other funds	317,112		503,017	162,276		1,427,786	2,410,191
Deposit with others	10,000						10,000
Inventory						396,403	396,403
Loans to other governments	2,914,178					24,565	2,938,743
Advances to other funds	500,000						500,000
Prepaid items	52,131		2,010			18,658	72,799
Restricted cash and investments	10,983,192						10,983,192
Total assets	$ 140,181,083	$ 100,319,178	$ 29,461,964	$ 12,980,042	$ 93,791,661	$ 137,006,500	$ 513,740,428
Liabilities and fund balance							
Liabilities							
Accounts payable	$ 5,746,511	$	$ 10,810,798	$ 461,250	$ 9,041	$ 6,132,131	$ 23,159,731
Salaries and benefits payable	7,428,236		1,748,829	3,209,170		3,981,494	16,367,729
Due to other funds	1,459,178					387,424	1,846,602
Due to other governments				621,643		2,731,133	3,352,776
Deposits from others	10,160						10,160
Deferred revenue	1,611,491	833,427	3,623,551	7,361,127		1,958,563	15,388,159
Advances from other funds						500,000	500,000
Total liabilities	16,255,576	833,427	16,183,178	11,653,190	9,041	15,690,745	60,625,157
Fund balance:							
Reserved for:							
Encumbrances	5,890,573		367,615	76,346		11,388,055	17,722,589
Advances to other funds	500,000						500,000
Long term receivables	42,288,351						42,288,351
Loans to other governments	2,914,178					24,565	2,938,743
Other	11,086,293		10,711	25,150		429,437	11,551,591
Capital projects						5,481,688	5,481,688
Debt service						15,252,189	15,252,189
Unreserved:							
Designated for:							
Debt service	11,779,459						11,779,459
Contingencies	41,044,317						41,044,317
Reported in :							
General fund	8,422,336						8,422,336
Special revenue funds		99,485,751	12,900,460	1,225,356		54,249,313	167,860,880
Capital project funds					93,782,620	33,686,591	127,469,211
Debt service funds						803,917	803,917
Total fund balance	123,925,507	99,485,751	13,278,786	1,326,852	93,782,620	121,315,755	453,115,271
Total liabilities and fund balance	$ 140,181,083	$ 100,319,178	$ 29,461,964	$ 12,980,042	$ 93,791,661	$ 137,006,500	$ 513,740,428

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2008

Total fund balances for governmental funds (page 18)		$ 453,115,271
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	$ 40,002,942	
Infrastructure	297,164,563	
Structures and improvements	110,822,653	
Equipment	35,679,130	
Construction in progress	39,243,480	
Total capital assets		522,912,768
Investments - Joint ventures		15,641,485
Internal service funds are used by the County to charge the cost of general liability, unemployment, worker's compensation, dental, vision, & purchased insurance plus Central services, Fleet services, Technology & communication and Morgan garage to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net assets.		20,955,190
Some of the County's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are not recognized as revenue in the funds.		960,528
Costs of issuance that benefit future periods are recognized as expenditures in the funds.		3,122,839
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net assets.		
Balances at June 30, 2007 are:		
Certificates of participation	(98,537,138)	
Bonds payable	(76,237,295)	
Tobacco securitization notes	(109,063,472)	
Capital leases	(394,045)	
Accrued interest on long term debt	(3,126,007)	
Other post-employment benefits (OPEB)	(1,425,696)	
Compensated absences	(26,616,549)	
Total long-term liabilities		(315,400,202)
Net assets of governmental activities (page 15)		$ 701,307,879

The notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	$ 128,790,717	$	$	$	$	$ 17,249,738	$ 146,040,455
Licenses, permits and franchises	2,510,976			73,115		2,265,993	4,850,084
Fines, forfeitures and penalties	13,351,950		114,574			3,005,241	16,471,765
Revenue from use of money and property	7,184,856	2,396,693	839,130	4,068	4,883,140	5,058,957	20,366,844
Intergovernmental	70,410,934		36,916,721	230,509,465		85,299,036	423,136,156
Charges for services	42,765,363		19,210,798	1,952,054	12,381,268	29,757,112	106,066,595
Miscellaneous	2,076,147		1,126,956	712,751		6,096,326	10,012,180
Total revenues	267,090,943	2,396,693	58,208,179	233,251,453	17,264,408	148,732,403	726,944,079
EXPENDITURES:							
Current							
General government	41,417,939					699,792	42,117,731
Public protection	144,614,342		1,082,015			45,638,838	191,335,195
Public ways and facilities	547,742					33,092,834	33,640,576
Health and sanitation	6,641,627		64,157,930			50,687,203	121,486,760
Public assistance	394,303			240,786,547		17,481,688	258,662,538
Education	383,323					13,654,791	14,038,114
Recreation and cultural servic	6,538,341					10,129	6,548,470
Capital outlay					55,782	6,976,488	7,032,270
Debt service							
Interest and fiscal charges	1,328		505	23,090		13,597,764	13,622,687
Principal	11,609		5,060	102,224		16,325,670	16,444,563
Total expenditures	200,550,554		65,245,510	240,911,861	55,782	198,165,197	704,928,904
Excess revenues over (under) expenditures	66,540,389	2,396,693	(7,037,331)	(7,660,408)	17,208,626	(49,432,794)	22,015,175
OTHER FINANCING SOURCES (USES)							
Capital lease proceeds	105,128			149,323			254,451
Transfers in	8,961,387		13,540,282	7,568,835		50,977,173	81,047,677
Transfers out	(68,820,937)	(3,264,833)	(770,053)	(2,232,796)	(13,739,762)	(3,193,650)	(92,022,031)
Sale of capital assets	501						501
Total other financing sources (uses)	(59,753,921)	(3,264,833)	12,770,229	5,485,362	(13,739,762)	47,783,523	(10,719,402)
Net change in fund balances	6,786,468	(868,140)	5,732,898	(2,175,046)	3,468,864	(1,649,271)	11,295,773
Fund balance -- beginning	117,139,039	100,353,891	7,545,888	3,501,898	90,313,756	120,935,441	439,789,913
Prior period adjustment						2,029,585	2,029,585
Fund balance at beginning of year, as restated	117,139,039	100,353,891	7,545,888	3,501,898	90,313,756	122,965,026	441,819,498
Fund balances -- ending	$ 123,925,507	$ 99,485,751	$ 13,278,786	$ 1,326,852	$ 93,782,620	$ 121,315,755	$ 453,115,271

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2008

Net change in fund balances - total governmental funds (page 20)		$ 11,295,773
The change in net assets reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets and infrastructure	$ 14,775,403	
Less current year depreciation	(34,043,985)	(19,268,582)
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets		195,324
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(391,712)
Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets		(254,451)
Repayments of debt principal and issuance premiums are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and premiums are amortized in the statement of activities.		
Repayments:		
Certificate of participation	6,554,560	
Other long-term debt	9,771,110	
Capital lease	131,727	
Amortization of issuance premium	144,340	16,601,737
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Other post-employment benefits (OPEB)	$ (1,425,695)	
Change in investment in joint ventures	(547,937)	
Change in accrued interest payable	490,529	
Change in Tobacco accreted interest payable	(2,852,847)	
Change in compensated absences	(1,210,438)	
Change in deferred charges	(163,424)	(5,709,812)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.		4,989,182
Change in net assets of governmental activities (page 17)		$ 7,457,459

The notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Revenues:				
Taxes	$ 128,965,585	$ 128,944,417	$ 128,790,717	$ (153,700)
Licenses, permits and franchises	2,445,867	2,496,556	2,510,976	14,420
Fines, forfeitures and penalties	5,675,534	3,835,534	13,351,950	9,516,416
Revenue from use of money and property	6,682,212	6,714,425	7,184,856	470,431
Intergovernmental revenue	71,565,720	72,396,762	70,410,934	(1,985,828)
Charges for services	41,692,380	42,871,974	42,765,363	(106,611)
Miscellaneous revenue	1,544,363	1,632,647	2,076,148	443,501
Total revenues	258,571,661	258,892,315	267,090,944	8,198,629
Expenditures: General				
Assessor				
Salaries and employee benefits	5,050,174	5,050,174	4,874,972	175,202
Services and supplies	580,808	580,808	479,380	101,428
Other charges	242,471	242,471	234,906	7,565
Expenditure transfer	58,320	58,320	55,068	3,252
Fixed assets	96,003	96,003	(10,039)	106,042
Total expenditures	6,027,776	6,027,776	5,634,287	393,489
Auditor-Controller				
Salaries and employee benefits	4,015,012	4,015,012	3,830,374	184,638
Services and supplies	412,518	412,518	137,465	275,053
Other charges	152,570	152,570	144,116	8,454
Expenditure transfer	(100,360)	(100,360)	(113,680)	13,320
Total expenditures	4,479,740	4,479,740	3,998,275	481,465
Board of Supervisors				
Salaries and employee benefits	838,741	829,851	765,046	64,805
Services and supplies	163,624	192,804	181,903	10,901
Other charges	23,710	24,280	22,886	1,394
Expenditure transfer	17,200	19,970	18,946	1,024
Total expenditures	1,043,275	1,066,905	988,781	78,124
Clerk of the Board				
Salaries and employee benefits	458,015	465,364	450,766	14,598
Services and supplies	90,994	92,703	35,016	57,687
Other charges	27,980	26,560	22,278	4,282
Expenditure transfer	8,700	8,700	8,613	87
Total expenditures	585,689	593,327	516,673	76,654
Chief Executive				
Salaries and employee benefits	5,236,973	5,196,973	4,777,004	419,969
Services and supplies	1,375,505	1,345,505	1,039,267	306,238
Other charges	189,560	229,560	187,417	42,143
Expenditure transfer	8,440	38,440	29,382	9,058
Total expenditures	6,810,478	6,810,478	6,033,070	777,408
Economic Development				
Services and supplies	2,069,310	2,072,210	1,777,682	294,528
Other charges	11,747	8,247	5,706	2,541
Expenditure transfer		600	358	242
Total expenditures	2,081,057	2,081,057	1,783,746	297,311

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
Purchasing Agent				
Salaries and employee benefits	520,206	500,206	407,283	92,923
Services and supplies	24,411	44,411	32,974	11,437
Other charges	26,640	26,640	26,121	519
Expenditure transfer	9,450	9,450	8,859	591
Total expenditures	580,707	580,707	475,237	105,470
C.A.R.E. Unit				
Services and supplies	92,258	33,781	(26,715)	60,496
Other charges	13,155	68,632	63,586	5,046
Expenditure transfer	15,000	18,000	16,955	1,045
Total expenditures	120,413	120,413	53,826	66,587
Risk Management				
Salaries and employee benefits	1,436,574	1,444,567	1,407,652	36,915
Services and supplies	116,793	108,800	99,473	9,327
Other charges	58,940	58,940	55,235	3,705
Expenditure transfer	4,650	4,650	3,455	1,195
Total expenditures	1,616,957	1,616,957	1,565,815	51,142
Capital Improvement Financing Authority				
Salaries and employee benefits	100,000	100,000	100,000	
Services and supplies	176,964	176,964	46,630	130,334
Total expenditures	276,964	276,964	146,630	130,334
Plant Acquisition				
Salaries and employee benefits		41,600	40,031	1,569
Services and supplies	5,323,303	3,743,254	(984,838)	4,728,092
Other charges	3,700	252,260	197,377	54,883
Fixed assets	1,322,890	2,415,099	1,036,529	1,378,570
Total expenditures	6,649,893	6,452,213	289,099	6,163,114
Appropriations for Contingencies				
Appropriations for contingencies	9,741,050	2,583,923		2,583,923
Total expenditures	9,741,050	2,583,923		2,583,923
County Facilities				
Services and supplies	669,307	627,042	141,197	485,845
Other charges	254	42,519	39,663	2,856
Expenditure transfer	80,800	80,800	7,114	73,686
Total expenditures	750,361	750,361	187,974	562,387

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
Elections Division				
Salaries and employee benefits	1,143,436	1,303,436	1,044,740	258,696
Services and supplies	2,613,088	3,334,979	2,733,188	601,791
Other charges	42,660	63,660	60,716	2,944
Expenditure transfer	101,940	101,940	106,405	(4,465)
Fixed assets		1,014,212	12,617	1,001,595
Total expenditures	3,901,124	5,818,227	3,957,666	1,860,561
County Counsel				
Salaries and employee benefits	2,318,873	2,318,873	2,191,823	127,050
Services and supplies	167,652	167,652	126,652	41,000
Other charges	48,572	48,572	47,386	1,186
Expenditure transfer	25,670	25,670	24,293	1,377
Total expenditures	2,560,767	2,560,767	2,390,154	170,613
Treasurer and Tax Collector				
Salaries and employee benefits	1,088,696	1,046,105	988,610	57,495
Services and supplies	288,818	273,818	110,236	163,582
Other charges	120,043	135,043	124,999	10,044
Expenditure transfer	110,520	170,520	206,607	(36,087)
Total expenditures	1,608,077	1,625,486	1,430,452	195,034
Revenue Recovery				
Salaries and employee benefits	1,205,247	1,205,247	1,071,274	133,973
Services and supplies	145,347	145,347	108,349	36,998
Other charges	253,410	253,410	220,484	32,926
Expenditure transfer	(682,538)	(682,538)	(684,281)	1,743
Fixed assets	23,000	23,000	1,106	21,894
Total expenditures	944,466	944,466	716,932	227,534
CEO Match - Other Agencies				
Other charges	2,068,927	2,430,081	2,414,904	15,177
Total expenditures	2,068,927	2,430,081	2,414,904	15,177
Treasury				
Salaries and employee benefits	271,223	314,280	285,107	29,173
Services and supplies	256,445	218,645	123,858	94,787
Other charges	15,840	23,400	22,618	782
Expenditure transfer	168,900	172,900	172,551	349
Total expenditures	712,408	729,225	604,134	125,091
Facility Maintenance				
Salaries and employee benefits	3,480,164	3,435,788	3,334,772	101,016
Services and supplies	5,760,060	6,041,156	5,977,205	63,951
Other charges	210,820	264,205	236,889	27,316
Expenditure transfer	(2,606,914)	(2,520,375)	(2,741,069)	220,694
Total expenditures	6,844,130	7,220,774	6,807,797	412,977

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: General				
CEO - Econ Development Bank				
Services and supplies	3,819,570	3,819,570	(3,742,187)	7,561,757
Other charges	9,978	9,978	(62)	10,040
Total expenditures	3,829,548	3,829,548	(3,742,249)	7,571,797
General Services Agency				
Salaries and employee benefits	491,379	490,344	477,524	12,820
Services and supplies	11,500	10,197	10,163	34
Other charges	5,610	10,990	10,770	220
Expenditure transfer			188	(188)
Total expenditures	508,489	511,531	498,645	12,886
Expenditures: Public Protection				
Agricultural Commissioner				
Salaries and employee benefits	3,091,433	3,135,742	3,025,849	109,893
Services and supplies	404,170	457,011	410,353	46,658
Other charges	241,530	241,530	213,731	27,799
Expenditure transfer	225,730	231,730	229,641	2,089
Fixed assets	421,442	473,012	257,348	215,664
Total expenditures	4,384,305	4,539,025	4,136,922	402,103
Animal Services				
Salaries and employee benefits	2,145,087	2,217,550	2,168,548	49,002
Services and supplies	807,625	770,534	645,254	125,280
Other charges	223,150	236,608	233,110	3,498
Expenditure transfer	5,190	5,190	6,155	(965)
Fixed assets	16,860	18,403	1,182	17,221
Total expenditures	3,197,912	3,248,285	3,054,249	194,036
Office of Emergency Services				
Salaries and employee benefits	821,547	885,556	846,202	39,354
Services and supplies	341,864	282,308	167,710	114,598
Other charges	572,824	712,403	682,370	30,033
Expenditure transfer	150	66,880	66,880	
Fixed assets	145,066	188,430	42,429	146,001
Total expenditures	1,881,451	2,135,577	1,805,591	329,986
County Court Funding				
Services and supplies	325,889	33,272	33,261	11
Other charges	6,298,984	6,711,172	6,707,921	3,251
Expenditure transfer	928,982	908,723	891,320	17,403
Total expenditures	7,553,855	7,653,167	7,632,502	20,665
Recorder Division				
Salaries and employee benefits	1,457,794	1,457,794	1,196,153	261,641
Services and supplies	185,972	185,972	149,040	36,932
Other charges	214,870	214,870	200,658	14,212
Expenditure transfer	125,010	125,010	124,105	905
Fixed assets	152,484	152,484	(68,484)	220,968
Total expenditures	2,136,130	2,136,130	1,601,472	534,658

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Protection				
District Attorney				
Salaries and employee benefits	12,556,307	13,000,419	12,523,288	477,131
Services and supplies	482,426	634,306	625,883	8,423
Other charges	669,442	649,071	648,809	262
Expenditure transfer	65,290	99,778	99,766	12
Fixed assets		47,000	43,152	3,848
Total expenditures	13,773,465	14,430,574	13,940,898	489,676
Planning				
Salaries and employee benefits	1,667,849	1,819,824	1,687,361	132,463
Services and supplies	125,574	125,574	61,849	63,725
Other charges	65,720	65,720	64,090	1,630
Expenditure transfer	18,870	18,870	17,907	963
Total expenditures	1,878,013	2,029,988	1,831,207	198,781
Probation				
Salaries and employee benefits	1,495,742	1,495,742	1,428,395	67,347
Services and supplies	585,295	585,295	456,026	129,269
Other charges	577,745	577,745	303,762	273,983
Expenditure transfer	2,000	2,000	598	1,402
Fixed assets	85,000	85,000	49,772	35,228
Total expenditures	2,745,782	2,745,782	2,238,553	507,229
Probation - Casework				
Salaries and employee benefits	9,663,275	10,014,162	9,482,208	531,954
Services and supplies	701,859	599,481	465,946	133,535
Other charges	241,236	296,236	291,014	5,222
Expenditure transfer	168,260	168,260	50,226	118,034
Fixed assets	340,000	377,500	352,282	25,218
Total expenditures	11,114,630	11,455,639	10,641,676	813,963
Probation - Institutions				
Salaries and employee benefits	6,876,329	7,125,949	6,580,634	545,315
Services and supplies	850,534	805,495	735,534	69,961
Other charges	196,860	191,860	181,338	10,522
Expenditure transfer	240,790	240,790	224,353	16,437
Fixed assets	250,556	250,556	67,009	183,547
Total expenditures	8,415,069	8,614,650	7,788,868	825,782
Public Defender				
Salaries and employee benefits	5,300,316	5,435,614	5,260,970	174,644
Services and supplies	308,894	246,394	243,484	2,910
Other charges	206,842	214,444	214,443	1
Expenditure transfer	273,426	293,426	286,906	6,520
Total expenditures	6,089,478	6,189,878	6,005,803	184,075
Indigent Defense				
Services and supplies	2,729,264	3,009,264	3,007,721	1,543
Total expenditures	2,729,264	3,009,264	3,007,721	1,543

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Protection				
Sheriff's Administration				
Salaries and employee benefits	4,002,545	3,841,960	3,692,514	149,446
Services and supplies	743,428	692,911	634,852	58,059
Other charges	245,050	284,160	278,591	5,569
Expenditure transfer			(16,130)	16,130
Fixed assets	208,800	69,317	60,517	8,800
Total expenditures	5,199,823	4,888,348	4,650,344	238,004
Sheriff's Operations				
Salaries and employee benefits	23,146,768	24,250,807	22,963,946	1,286,861
Services and supplies	3,316,049	2,759,929	2,502,342	257,587
Other charges	4,197,255	4,562,255	4,369,834	192,421
Expenditure transfer	(420,270)	(445,650)	(778,448)	332,798
Fixed assets	1,204,188	2,076,188	1,758,246	317,942
Total expenditures	31,443,990	33,203,529	30,815,920	2,387,609
Sheriff's Detention				
Salaries and employee benefits	26,965,307	26,908,785	24,997,145	1,911,640
Services and supplies	4,376,437	4,267,657	3,785,216	482,441
Other charges	1,728,866	1,505,021	1,268,961	236,060
Expenditure transfer	934,480	1,141,655	1,140,682	973
Fixed assets	224,171	701,621	521,658	179,963
Total expenditures	34,229,261	34,524,739	31,713,662	2,811,077
Court Security				
Salaries and employee benefits	3,351,726	3,952,665	3,192,732	759,933
Services and supplies	9,000	13,625	13,624	1
Other charges	12,280	13,695	13,691	4
Expenditure transfer	91,834	89,644	89,636	8
Total expenditures	3,464,840	4,069,629	3,309,683	759,946
Sheriff's Contract Cities				
Salaries and employee benefits	6,882,990	6,922,207	6,274,995	647,212
Services and supplies	252,057	252,057	201,818	50,239
Other charges	1,267,022	1,267,022	1,208,049	58,973
Expenditure transfer	37,800	37,800	293,299	(255,499)
Fixed assets	8,000	159,000	141,818	17,182
Total expenditures	8,447,869	8,638,086	8,119,979	518,107
Grand Jury				
Salaries and employee benefits	39,729	42,229	40,126	2,103
Services and supplies	51,282	48,782	30,872	17,910
Other charges	6,019	6,019	4,343	1,676
Expenditure transfer	23,273	23,273	23,019	254
Total expenditures	120,303	120,303	98,360	21,943
CEO Ray Simon Training Center				
Salaries and employee benefits	1,684,080	1,297,580	1,164,162	133,418
Services and supplies	358,325	1,192,796	916,075	276,721
Other charges	22,426	30,426	27,323	3,103
Expenditure transfer	260,833	249,833	249,634	199
Fixed assets	15,000	140,128	134,258	5,870
Total expenditures	2,340,664	2,910,763	2,491,452	419,311

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Public Ways and Facilities				
Airport				
Services and supplies	228,867	228,867	198,420	30,447
Total expenditures	228,867	228,867	198,420	30,447
CEO Crows Landing Air Facility				
Services and supplies	910,625	1,001,988	366,393	635,595
Other charges		8,637	8,637	
Total expenditures	910,625	1,010,625	375,030	635,595
Expenditures: Health and Sanitation				
CEO Jail Medical				
Services and supplies	6,748,332	6,748,332	6,717,543	30,789
Total expenditures	6,748,332	6,748,332	6,717,543	30,789
Expenditures: Public Assistance				
Veteran's Services				
Salaries and employee benefits	308,910	325,729	317,138	8,591
Services and supplies	29,666	13,406	13,305	101
Other charges	12,240	12,237	12,237	
Expenditure transfer	5,220	4,664	4,664	
Total expenditures	356,036	356,036	347,344	8,692
Board of Supervisors - Community Support				
Services and supplies	47,500	47,500	45,000	2,500
Total expenditures	47,500	47,500	45,000	2,500
Expenditures: Education				
Cooperative Extension				
Salaries and employee benefits	301,161	301,161	265,440	35,721
Services and supplies	26,784	26,784	10,203	16,581
Other charges	51,075	51,075	37,530	13,545
Expenditure transfer	60,070	60,070	66,188	(6,118)
Total expenditures	439,090	439,090	379,361	59,729
Expenditures: Recreation and Cultural Services				
Parks and Recreation				
Salaries and employee benefits	2,751,880	2,541,813	2,369,928	171,885
Services and supplies	1,812,816	1,941,872	1,403,949	537,923
Other charges	594,370	710,818	690,083	20,735
Expenditure transfer	500,270	501,981	501,411	570
Fixed assets	282,000	347,750	109,155	238,595
Total expenditures	5,941,336	6,044,234	5,074,526	969,708

(Continued)

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund (Continued)
Budget and Actual on Budgetary Basis
For the fiscal year ended June 30, 2008

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Expenditures: Recreation and Cultural Services				
Parks - Master Plan				
Services and supplies	404,612	404,612	48,410	356,202
Total expenditures	404,612	404,612	48,410	356,202
Tuolumne River Regional Park				
Services and supplies	218,081	218,081	218,081	
Fixed assets	1,000,000	1,000,000	1,000,000	
Total expenditures	1,218,081	1,218,081	1,218,081	
Expenditures: Debt Service				
Debt Service				
Expenditure transfer	(685,202)	(685,202)	(691,576)	6,374
Total expenditures	(685,202)	(685,202)	(691,576)	6,374
Total Expenditures - General Fund	230,497,677	231,466,457	195,348,849	36,117,608
Excess of revenue over expenditures	28,073,984	27,425,858	71,742,095	44,316,237
Other financing sources (uses):				
Capital lease proceeds		105,128	105,128	
Transfers in	7,265,477	8,672,775	8,961,387	288,612
Transfers out	(62,714,854)	(68,639,047)	(67,586,566)	1,052,481
Sale of capital assets			501	501
Total other financing sources (uses)	(55,449,377)	(59,861,144)	(58,519,550)	1,341,594
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(27,375,393)	(32,435,286)	13,222,545	45,657,831
Fund balance -- beginning	(25,066,192)	(31,597,329)	111,710,330	143,307,659
Fund balance -- ending	$ (52,441,585)	$ (64,032,615)	$ 124,932,875	$ 188,965,490

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Behavioral Health and Recovery - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the fiscal year ended June 30, 2008

	Budgeted Amounts		Actual amount	
	Original Budget	Final Budget	on the Budgetary basis	Variance with Final Budget
Revenues				
Fines, forfeitures, and penalties	$ 52,000	$ 52,000	$ 114,574	$ 62,574
Revenue from use of money and property	41,153	601,792	839,130	237,338
Intergovernmental revenue	38,813,983	46,656,221	36,916,721	(9,739,500)
Charges for services	18,362,885	18,656,010	19,210,798	554,788
Miscellaneous revenue	2,010,918	1,546,461	1,126,956	(419,505)
Total revenues	59,280,939	67,512,484	58,208,179	(9,304,305)
Expenditures				
Public Prostection				
Salaries and employee benefits	748,966	736,518	652,850	83,668
Services and supplies	88,296	100,841	94,830	6,011
Other charges	144,863	170,100	178,827	(8,727)
Expenditure transfer	146,683	146,683	160,000	(13,317)
Total Public Protection	1,128,808	1,154,142	1,086,507	67,635
Health and Sanitation				
Salaries and employee benefits	32,628,377	33,398,630	30,961,905	2,436,725
Services and supplies	31,328,865	36,237,426	28,778,240	7,459,187
Other charges	3,894,231	6,395,272	4,754,927	1,640,345
Fixed assets	90,492	90,492		90,492
Expenditure transfer	(146,683)	(146,683)	(160,000)	13,317
Total Health and Sanitation	67,795,282	75,975,137	64,335,071	11,640,066
Total expenditures	68,924,090	77,129,279	65,421,578	11,707,701
Excess (deficiency) of revenues over (under) expenditures	(9,643,151)	(9,616,795)	(7,213,399)	2,403,396
Other financing sources (uses)				
Transfers in	9,482,589	13,696,328	13,540,282	(156,046)
Transfers out		(17,000)	(770,053)	(753,053)
Total other financing sources (uses)	9,482,589	13,679,328	12,770,229	(909,099)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(160,562)	4,062,533	5,556,829	1,494,297
Fund balance - beginning	8,040,396	8,040,396	8,040,396	
Fund balance - ending	$ 7,879,834	$ 12,102,929	$ 13,597,225	$ 1,494,297

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Community Services Agency - Special Revenue Fund
Budget and Actual on the Budgetary Basis
For the fiscal year ended June 30, 2008

	Budgeted Amounts		Actual amount	
	Original Budget	Final Budget	on the Budgetary basis	Variance with Final Budget
Revenues				
Licenses,permits and franchises	$ 76,853	$ 78,653	$ 73,115	$ (5,538)
Revenue from use of money and property			4,068	4,068
Intergovernmental revenue	228,265,828	236,216,791	230,509,465	(5,707,326)
Charges for services	1,554,898	1,939,292	1,952,054	12,762
Miscellaneous revenue	1,063,257	1,215,645	712,751	(502,894)
Total revenues	230,960,836	239,450,381	233,251,453	(6,198,928)
Expenditures				
Public Assistance				
Salaries and employee benefits	65,539,863	65,130,810	61,666,583	3,464,227
Services and supplies	20,534,946	22,044,813	20,870,871	1,173,942
Other charges	154,211,403	162,019,350	157,891,549	4,127,801
Fixed assets	466,993	692,528	317,971	374,556
Total expenditures	240,753,205	249,887,500	240,746,974	9,140,526
Excess (deficiency) of revenues over (under) expenditures	(9,792,369)	(10,437,119)	(7,495,521)	2,941,598
Other financing sources (uses)				
Transfers in	10,494,997	8,357,121	7,568,835	(788,286)
Transfers out	(2,232,544)	(2,085,703)	(2,232,796)	(147,093)
Capital lease proceeds		149,323	149,323	
Total other financing sources (uses)	8,262,453	6,420,741	5,485,362	(935,379)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,529,916)	(4,016,378)	(2,010,159)	2,006,219
Fund balance - beginning	2,973,256	2,973,256	2,973,256	
Fund balance - ending	$ 1,443,340	$ (1,043,122)	$ 963,097	$ 2,006,219

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Net Assets
Proprietary Funds
June 30, 2008

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Sanitary Landfill	Geer Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
ASSETS:						
Current Assets:						
Cash and investments	$ 10,603,604	$ 187,599	$ 2,630,552	$ 6,071,541	$ 19,493,296	$ 40,332,704
Accounts receivable, net	826,411		7,950,224	396,997	9,173,632	44,395
Interest and other receivables	145,416	17,303		42,114	204,833	186,872
Inventory			236,829	20,375	257,204	227,616
Deposit with others						571,730
Due from other funds			34,522		34,522	
Prepaid items			13,891		13,891	
Total current assets	11,575,431	204,902	10,866,018	6,531,027	29,177,378	41,363,317
Noncurrent assets:						
Deferred charges						
Investments with fiscal agent	57,416		158,766		216,182	
Restricted cash and investments	16,790,967	3,512,715			20,303,682	
Capital assets:						
Land	13,556,621	1,906,261			15,462,882	
Structures and improvements	3,785,755		12,109,907	216,731	16,112,393	1,002,508
Equipment	1,816,404	14,239	5,223,637	3,821,831	10,876,111	22,393,838
Less: Accumulated depreciation	(1,936,995)	(6,585)	(14,852,016)	(1,364,846)	(18,160,442)	(16,362,937)
Net capital assets	17,221,785	1,913,915	2,481,528	2,673,716	24,290,944	7,033,409
Total noncurrent assets	34,070,168	5,426,630	2,640,294	2,673,716	44,810,808	7,033,409
Total assets	$ 45,645,599	$ 5,631,532	$ 13,506,312	$ 9,204,743	$ 73,988,186	$ 48,396,726
LIABILITIES:						
Current liabilities						
Accounts payable	$ 178,446	$ 57,249	$ 1,425,263	$ 372,163	$ 2,033,121	$ 1,416,023
Salaries and benefits payable	66,733		1,013,697	48,042	1,128,472	259,197
Deferred revenues			8,874		8,874	
Due to other funds			549,600		549,600	48,511
Deposits from others	28,617				28,617	
Interfund note payable - current			1,353,823		1,353,823	
Risk management liability - current						8,017,434
Capital leases - current				5,394	5,394	
Compensated absences - current	3,467		101,033		104,500	87,696
Long-term obligations - current			168,080		168,080	
Total current liabilities	277,263	57,249	4,620,370	425,599	5,380,481	9,828,861
Noncurrent liabilities						
Estimated cost of landfill closure/postclosure	5,679,694	7,835,560			13,515,254	
Interfund note payable			16,836,730		16,836,730	
Risk management liability						15,669,988
Capital leases payable				19,376	19,376	
Other post-emplymnt benefits (OPEB)	22,110		236,340	3,940	262,390	61,330
Compensated absences	168,916		1,040,094	43,280	1,252,290	465,075
Long term obligations			553,136		553,136	
Total noncurrent liabilities	5,870,720	7,835,560	18,666,300	66,596	32,439,176	16,196,393
Total liabilities	6,147,983	7,892,809	23,286,670	492,195	37,819,657	26,025,254
NET ASSETS (DEFICIT):						
Invested in capital assets, net of related debt	17,221,785	1,913,915	1,760,312	2,648,946	23,544,958	7,033,409
Restricted	16,875,694	3,528,769			20,404,463	
Unrestricted	5,400,137	(7,703,961)	(11,540,670)	6,063,602	(7,780,892)	15,338,063
Total net assets (deficit)	$ 39,497,616	(2,261,277)	(9,780,358)	8,712,548	36,168,529	22,371,472
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					1,416,272	
Net assets of business type activities					$ 37,584,801	

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended June 30, 2008

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Sanitary Landfill	Geer Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues:						
Charges for services	$ 5,976,090	$	$ 39,201,032	$ 4,611,592	$ 49,788,714	$ 74,316,864
Total operating revenues	5,976,090		39,201,032	4,611,592	49,788,714	74,316,864
Operating expenses:						
Salaries and benefits	1,209,102		18,924,290	2,825,245	22,958,637	4,990,242
Services and supplies	2,381,686		29,281,825	4,936,524	36,600,035	64,522,397
Depreciation	478,409	711	414,849	330,629	1,224,598	1,714,044
Estimated cost of closure/postclosure	491,887				491,887	
Total operating expenses	4,561,084	711	48,620,964	8,092,398	61,275,157	71,226,683
Operating income (loss)	1,415,006	(711)	(9,419,932)	(3,480,806)	(11,486,443)	3,090,181
Nonoperating revenues (expenses)						
Investment income	1,519,941	181,758	(24,308)	257,026	1,934,417	1,785,734
Interest expense			(866,700)		(866,700)	
Gain (loss) on sale of capital assets	(3,423)		(273,083)	5,820,101	5,543,595	42,188
Intergovernmental			691,538	3,335,163	4,026,701	697,901
Total nonoperating revenues (expenses)	1,516,518	181,758	(472,553)	9,412,290	10,638,013	2,525,823
Income (loss) before capital contributions and transfers	2,931,524	181,047	(9,892,485)	5,931,484	(848,430)	5,616,004
Transfers in	373,321	450,000	16,504,814	364,048	17,692,183	127,120
Transfers out	(477,841)		(319,887)	(4,587,550)	(5,385,278)	(1,459,671)
Capital contributions			742,258		742,258	196,291
Changes in net assets	2,827,004	631,047	7,034,700	1,707,982	12,200,733	4,479,744
Total net assets (deficit) - beginning	36,670,612	(2,892,324)	(16,815,058)	7,004,566		17,891,728
Total net assets (deficit) - ending	$ 39,497,616	$ (2,261,277)	$ (9,780,358)	$ 8,712,548		$ 22,371,472
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(509,438)	
Change in net assets of business type activities					$ 11,691,295	

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Landfill	Geer Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers and users	$ 5,809,934	$	$ 40,357,851	$ 7,569,543	$ 53,737,328	$
Cash received (paid) from interfund services		2,277	739,940		742,217	74,875,356
Cash paid to suppliers	(2,325,090)	(477,063)	(22,930,982)	(5,220,438)	(30,953,573)	(63,798,515)
Cash paid for interfund services			(11,154,226)		(11,154,226)	
Cash paid to employees	(1,162,757)		(18,802,935)	(3,776,910)	(23,742,602)	(4,833,486)
Net cash provided (used) by operating activities	2,322,087	(474,786)	(11,790,352)	(1,427,805)	(11,370,856)	6,243,355
Cash flows from noncapital financing activities:						
Transfers in	373,321	450,000	16,504,814	364,048	17,692,183	127,120
Interfund borrowing			(1,261,525)			(1,631)
Deferred revenues			8,874			
Subsidy from state and federal grant			691,539	3,335,163	4,026,702	697,901
Transfers out	(477,841)		(319,887)	(4,587,550)	(5,385,278)	(1,459,670)
Net cash provided (used) by noncapital financing activities	(104,520)	450,000	15,623,815	(888,339)	16,333,607	(636,280)
Cash flows from capital and related financing activities:						
Sale of capital assets	866,125				866,124	56,554
Purchase of capital assets			(116,993)			(1,681,765)
Capital contributions						2,835
Principal payment - capital leases			(41,145)			
Principal payment - long term debt			(160,440)			
Interest income			108,672			
Interest paid			(993,005)			
Net cash (used) by capital and related financing activities	866,125		(1,202,911)		866,124	(1,622,376)
Cash flows from investing activities:						
Interest received	1,506,260	181,758		257,026	1,945,044	1,785,734
Net cash provided by investing activities	1,506,260	181,758		257,026	1,945,044	1,785,734
Net increase (decrease) in cash and cash equivalents	4,589,952	156,972	2,630,552	2,858,736	10,236,212	5,770,433
Cash and equivalents - beginning	22,804,619	3,543,342		3,212,805	29,560,766	34,562,271
Cash and equivalents - ending	$ 27,394,571	$ 3,700,314	$ 2,630,552	$ 6,071,541	$ 39,796,978	$ 40,332,704
Reconciliation of cash and cash equivalents to the Statement of Net Assets						
Cash and investments	$ 10,603,604	$ 187,599	$2,630,552	$ 6,071,541	$ 19,493,296	$ 40,332,704
Restricted cash and investments	16,790,967	3,512,715			$ 20,303,682	
Total cash and cash equivalents	$ 27,394,571	$ 3,700,314	$ 2,630,552	$ 6,071,541	$ 39,796,978	$ 40,332,704

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds					Governmental Activities
	Fink Road Landfill	Geer Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 1,415,006	$ (711)	$ (9,419,932)	$ (3,480,806)	$ (11,486,443)	$ 3,090,181
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	478,409	711	414,849	330,629	1,224,598	1,714,044
(Increase) decrease in accounts receivable	(165,215)		(2,190,321)	2,968,189	612,653	439,211
(Increase) decrease in other receivables	(941)	2,277	3,347,140	(21,675)	3,326,801	12,047
(Increase) decrease in inventory			187,934	11,437	199,371	127,606
(Increase) decrease in prepaid items			79,143		79,143	17,630
(Increase) decrease in due from other funds			739,940		739,940	
Increase (decrease) in accounts payable and accrued liabilities	56,596	27,123	(300,107)	(283,914)	(500,302)	252,756
Increase (decrease) in salaries and benefits payable	14,818		28	(427,771)	(412,925)	34,926
Increase (decrease) in liability for compensated absences	9,417		(115,013)	(527,834)	(633,430)	60,502
Increase (decrease) in other post-employment benefits(OPEB)	22,110		236,340	3,940	262,390	61,330
Increase (decrease) in due to other funds/goverments			(4,770,353)		(4,770,353)	(38,003)
Increase (decrease) in estimated cost of closure/postclosure	491,887	(504,186)			(12,299)	
Increase (decrease) in risk management liability						471,125
Net cash provided (used) by operating activities	$ 2,322,087	$ (474,786)	$ (11,790,352)	$ (1,427,805)	$ (11,370,856)	$ 6,243,355

The accompanying notes to the financial statements are an integral part of this statement

County of Stanislaus
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Employees' Retirement Trust	Investment Trust	Agency Funds	Total
ASSETS				
Cash and investments	$ 33,274,567	$ 701,357,802	$ 10,057,097	$ 744,689,466
Accounts receivable (net of allowance for uncollectables)		9,341,251		9,341,251
Interest and dividends	5,592,780			5,592,780
Securities transactions	8,646,351			8,646,351
Contributions	2,522,264			2,522,264
Other receivable	33,743	3,989,115	77	4,022,935
Interfund note receivable		18,190,553		18,190,553
Other assets	3,937,500	5,033,370		8,970,870
Investments:				
Bonds	436,520,719			436,520,719
Stocks	830,418,252			830,418,252
Collateral on loaned securities	201,710,234			201,710,234
Total assets	1,522,656,410	737,912,091	10,057,174	2,270,625,675
LIABILITIES				
Accounts payable	210,950,463	12,198,735	671,933	223,821,131
Salaries and benefits payable		83,156		83,156
Grant deed extension fee	420,000			420,000
Trust obligations		5,301,889	9,385,241	14,687,130
Deferred revenue		1,329,434		1,329,434
Total liabilites	211,370,463	18,913,214	10,057,174	240,340,851
NET ASSETS				
Net assets held in trust for pension benefits/investment pool participants	$ 1,311,285,947	$ 718,998,877	$	$ 2,030,284,824

The accompanying notes to the financial statements are an integral part of this statement.

County of Stanislaus
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2008

	Employees' Retirement Trust	Investment Trust
Additions:		
Contributions:		
Employer contributions	$ 22,555,416	$
Member contributions	20,689,439	
Contributions on pooled investments		3,198,468,482
Total contributions	43,244,855	3,198,468,482
Investment income:		
Net appreciation in fair value	(161,115,826)	
Interest	42,932,733	31,423,167
Dividends	10,346,182	
Miscellaneous income	193,870	
Less investment expense	(13,766,082)	
Net investment income	(121,409,123)	31,423,167
Total additions	(78,164,268)	3,229,891,649
Deductions:		
Benefit payments	67,785,111	
Refunds of prior contributions	2,442,426	
Distributions from pooled investments		3,031,383,907
Administrative expense	2,044,286	
Total deductions	72,271,823	3,031,383,907
Change in net assets	(150,436,091)	198,507,742
Net assets held in trust - beginning	1,461,722,038	520,491,135
Net assets held in trust - ending	$ 1,311,285,947	$ 718,998,877

The accompanying notes to the financial statements are an integral part of this statement.

Note 1: Summary of Significant Accounting Policies

This summary of significant accounting policies of the County of Stanislaus (the County) is presented to assist in understanding the County's financial statements. These accounting policies conform to Generally Accepted Accounting Principles (GAAP) and have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The accounting methods and procedures adopted by the County conform to GAAP as applied to governmental entities. These financial statements present the government and its component units, legally separate entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

Reported component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with the data of the primary government. Each component unit has a June 30th year-end.

Blended Component Units

1. Redevelopment Agency of the County of Stanislaus ("Agency"): The Agency was established by the County as a separate legal entity in accordance with state law. It is governed by the five members of the County Board of Supervisors. The purpose of the Agency is to acquire, rehabilitate, and revitalize property within legally designated redevelopment areas. The Agency provides service solely to the County and is reported as a capital projects fund.

2. Stanislaus County Capital Improvements Financing Authority ("Authority"): The Authority was established on September 1, 1989, as a separate legal entity whose sole purpose is to provide financing for various County capital projects. It is governed by the five members of the County Board of Supervisors. The activity for the Authority is reported as a debt service fund.

3. Lighting Districts: The County has 25 different, legally separate lighting districts whose boards are the same as the County Board of Supervisors. The County's approval is needed to set the districts' budget and to set assessment rates. The activity for the lighting districts is reported in a special revenue fund.

4. Stanislaus County Tobacco Funding Corporation ("Stanislaus Corporation"): The Stanislaus Corporation was established per Board resolution on November 7, 2000 as a separate legal entity pursuant to California Corporations Code. Three directors, two from the County and one independent, govern it. Its purpose is to acquire from the County all of the rights of the County future tobacco settlement payments and to borrow money secured by the County tobacco assets on behalf of the California County Tobacco Securitization Agency (see Note 16). The Corporation provides service solely to the County and is reported as a debt service fund.

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

Blended Component Units (continued)

5. In-Home Supportive Services Public Authority of Stanislaus County ("Public Authority"): The Public Authority was established on December 9, 2004 as a separate legal entity pursuant to Welfare and Institutions Code Section 12301.6. It is governed by the five members of the County Board of Supervisors. The purpose of the Public Authority is to implement the goals and objectives of the In-Home Supportive Services Program. The Public Authority is reported as a special revenue fund.

B. **Basis of Presentation**

Government-Wide Financial Statements
The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. The government-wide statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

In the government-wide statements, eliminations have been made to minimize the double counting of certain internal activities. In the statement of net assets, all internal balances have been eliminated except those representing the net balance due between governmental and business type activities. This residual balance is reported as "internal balances." In the statement of activities, direct expenses such as services provided and used are not eliminated, but internal service fund activity has been eliminated.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated administrative overhead. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, health and sanitation, public assistance, education and recreation services.

- The *Tobacco Settlement Fund* was established to account for the proceeds from securitizing the County's share of tobacco settlement revenues. Currently the proceeds are restricted to use for capital expenditures. The intent is to preserve the initial amount and to distribute 80% of the annual investment earnings to the General Fund.

- The *Behavioral Health and Recovery Fund* was established to provide mental health services to the residents of the County under the provisions of Welfare and Institutions Codes 5600 and 5000. This includes residential/support treatment services, outpatient treatment services, and an array of education and prevention services. The primary source of revenues is from intergovernmental sources and charges for services.

- The *Community Services Agency Fund* was established for the administration of the three major public social programs including financial assistance, social services, and employment services. Intergovernmental revenue is the primary source of financing for this fund.

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

- *Public Facility Fees* were established by the Board of Supervisors adoption of Resolution No. 89-1724 for the purpose of reducing the impact of a growing community on existing County resources. The fees are charged to new development based on the need for facilities to maintain the existing level of service. The fee benefits the following departments and programs: roads, detention, criminal justice, library, parks, public and mental health, emergency services, animal services and sheriff.

The County reports the following major enterprise funds:

- The *Fink Road Sanitary Landfill Fund* was established to account for the operation of Fink Road Sanitary Landfill, which provides a dumping site for the disposal of solid wastes. Revenues are derived from fees generated for the disposal of waste at the site.

- The *Geer Road Sanitary Landfill Fund* was established to account for the operation of Geer Road Sanitary Landfill, which provided a dumping site for the disposal of solid waste. The landfill is owned jointly with the City of Modesto.

- The *Health Clinics and Ancillary Services Fund* was established to account for health care operations in outpatient clinics throughout the County. Revenues are derived from fees for patient services, payments from federal and state programs such as Medicare and Medi-Cal, private insurance, and subsidies from the County.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance, communication, technology, and other services provided to departments or other governments. They also account for self-insurance programs – worker's compensation, long-term disability, employee benefits, and personal injury and property damage on a cost-reimbursement basis.

- The *Employees' Retirement Trust* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the Stanislaus County Employees Retirement Association (StanCERA).

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment portfolio for the benefit of all participants. These entities include school and community college districts and other special districts governed by local boards, regional boards and authorities. The fund represents the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

- The *Agency Funds* account for assets held by the County as an agent for individuals, private organizations, or other governments.

C. **Basis of Accounting**

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available ("susceptible to accrual"). The County considers revenues available if they are collected within 180 days after year-end, except for property taxes. Property taxes are considered available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Note 1: **Summary of Significant Accounting Policies** (continued)

C. **Basis of Accounting** (continued)

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,* to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Proprietary funds distinguish operating revenues and expenses from nonoperating. Operating revenues and expenses generally result from providing services and producing goods in connection with a proprietary fund's principal operations. The operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for those same funds include the cost of sales and services, administrative expenses, depreciation and the estimated cost of closure/postclosure for the landfills. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. **Budgetary Basis of Accounting**

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for the General Fund and all special revenue funds except the Tobacco Settlement Fund. An operating balanced budget is adopted for the capital project funds for the life of the project, except for the Redevelopment Agency, the Courthouse Construction Fund and the Criminal Justice Facilities Fund, which adopt an operating budget each fiscal year. A budget is not adopted for the Public Facility Fees Capital project fund as those dollars are transferred and budgeted in other funds. Expenditures are controlled at the object level within budget units. A budget unit may be (1) a single department, (2) a division of a large department having multiple divisions, or (3) an entire fund. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any transfers of appropriations between object

Note 1: **Summary of Significant Accounting Policies** (continued)

D. **Budgetary Basis of Accounting** (continued)

levels within the same budget unit may be authorized by the County Executive Office. Budget amendments or supplementary appropriations normally financed by unanticipated revenues during the year or transfers of appropriations between budget units must be approved by the Board of Supervisors. Budgeted amounts in the budgetary comparison schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The budgets for the governmental funds may include an object level known as "expenditure transfers". This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP). Annual budgets are prepared on the modified accrual basis of accounting except that current year encumbrances and commitments are budgeted as expenditures.

The following schedule reconciles the amounts on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual on Budgetary Basis to the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances:

		Special Revenue Funds	
	General Fund	Behavioral Health and Recovery	Community Services Agency
Total expenditures (budgetary basis)	$ 195,348,849	$ 65,421,578	$ 240,746,974
Basis difference - net addition of 2006/07 encumbrances and commitments minus 2007/08 encumbrances and commitments	5,201,705	(176,068)	164,887
Total Expenditures (GAAP)	$ 200,550,554	$ 65,245,510	$ 240,911,861

E. **Cash and Cash Equivalents**

Cash and cash equivalents include cash in bank and investments held by the County Treasurer in a cash management pool. The amounts classified as "Investments with Fiscal Agent" represent loan proceeds held by the trustees for various borrowings (See Note 11) and securitized tobacco settlement proceeds invested outside the County Pool.

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months

Note 1: **Summary of Significant Accounting Policies** (continued)

E. **Cash and Cash Equivalents** (continued)

or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

F. **Investments**

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the State or any local agency of the State of California, bankers' acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund. The County may also invest in certain open-ended mutual funds permitted by the Government Code. All investments are carried at fair value until they are within 90 days of maturity at which time they are reported at amortized cost. Interest earned on pooled investments is apportioned quarterly to certain participating funds based upon each fund's average daily deposit balance with all remaining interest deposited in the General Fund.

The tobacco securitization proceeds are invested under a separate policy approved by the County Board of Supervisor's on January 29, 2002. The policy authorizes the County to invest in obligations outlined in California Government Code Section 53600, et seq., with no investment having a greater maturity date than the final maturity of any tobacco settlement asset-backed bond. All investments are reported at fair value.

The Employees' Retirement Trust (StanCERA) funds are invested pursuant to policy guidelines established by the Retirement System's Board. The objective of the investment policy is to invest in a manner that provides the safeguards and diversity that a prudent investor would adhere to. The policy of StanCERA is to invest in the following asset classes: Large Cap US Stocks, Small Cap US Stocks, Non US Stocks and Fixed Income. Investments are stated at fair value.

G. **Deferred Revenue**

The County reports deferred revenue on its financial statements. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability of deferred revenue is removed from the financial statements and revenue is recognized.

Note 1: **Summary of Significant Accounting Policies** (continued)

H. **Inventory**

In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting for inventory is used for the governmental funds and the proprietary funds. For the governmental funds, the reserve for inventory indicates that a portion of the fund balance is not an available financial resource (see Note 13).

I. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

J. **Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain assets (infrastructure) consisting of roads, bridges, lighting systems, drainage systems, and flood control improvements. The County defines capital assets, other than infrastructure, as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year, with the exception of the Health Clinics and Ancillary Services Enterprise Fund. The Health Clinics and Ancillary Services Enterprise Fund defines capital assets as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of three years. In addition to these individual assets, the library's books are capitalized together as one collection.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide and proprietary funds statements, with the exception of patrol cars and landfill cell development. The units of production method is used for depreciation on patrol cars and landfill cells.

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment	3 to 20 years
Patrol cars	100,000 miles
Landfill Cell	1,960,000 cubic yards

The County has seven networks of infrastructure assets – roads, bridges, lighting system, storm drains, signs, signals and beacons.

Note 1: **Summary of Significant Accounting Policies** (continued)

K. **Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)**

All regular employees of the County earn vacation and sick leave with pay every year. The amount of vacation and sick hours earned is based on the years of continuous service and the bargaining unit to which the employee belongs. All employee bargaining units have vacation accumulation limits. Regular employees are given credit for eight hours sick leave each month of employment with limited accumulation.

After at least six months of County service, most regular employees, upon separation, are entitled to all unused vacation time accumulation. Most regular employees are entitled to a portion of accumulated sick leave after six years of service, depending on age, years of service, and bargaining unit.

At the close of each fiscal year, the balance of this accumulated time is computed for each employee at the current salary range. In the financial statements, these amounts are referred to as "compensated absences." A ten-year average of all termination payments is used to compute the amount that is expected to be liquidated in the next year with expendable available financial resources. This current portion and the balance of the long-term liability are reported in the government-wide statements, the enterprise and internal service funds financial statements and are generally liquidated by the General Fund.

L. **Interfund Transactions**

Interfund transactions include loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/due from" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Advances to other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available financial resources.

Services or supplies provided can result, at year-end, in receivables and payables referred to as "due to/from other funds." These receivables and payables are eliminated in the governmental-wide consolidation with residual balances reported as "internal balances" when they are between funds of the County.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund

Note 1: **Summary of Significant Accounting Policies** (continued)

L. **Interfund Transactions** (continued)

transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the government-wide presentation.

M. **Estimates**

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. **Implementation of Governmental Accounting Standards Board (GASB) Statements**

For fiscal year-end June 30, 2008, the County has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension* and GASB Statement No. 50, *Conforming Changes for Pension Disclosures.*

Note 2: **Restatement of Equity**

The beginning fund balance of the Child Support Services special revenue fund has been restated to reflect prior year revenue resulting from a State audit.

	Child Support Services
Fund balance June 30, 2007, as previously reported	$ 1,713,269
Prior period adjustment due to under-reported revenue	2,029,585
Fund balance July 1, 2007, as restated	$ 3,742,854

Note 3: **Individual Fund Deficits**

Net Asset Deficits - Proprietary Funds	
Enterprise fund - Geer Road Landfill	$ 2,261,277
Enterprise fund - Health Clinics and Ancillary Services	9,780,358
Internal Service fund - Purchased Insurance	49,943

The deficit in the Geer Road Landfill is due to the liability for closure/post closure maintenance. This accumulated deficit will be funded with receipts from Fink Road Landfill. The Health Clinics and Ancillary Services Fund deficit is due to the closure of the County hospital inpatient facilities in November 1997 and the rising cost of health care. The plan to recover this deficit focuses on transfers from other funds, increased fees for service, and increased reimbursement from the Federal government as a Federally Qualified Health Center Look-Alike.

Note 3: **Individual Fund Deficits** (continued)

The internal service fund deficit is due to unexpected expenses in combination with user rates that were too low. This deficit will be funded by increased user charges.

Note 4: **Excess of Actual Expenditures Over Budget in Individual Budget Units**

For the year ended June 30, 2008, no expenditures exceeded budget at the department and object level.

Note 5: **Cash and Investments**

The County maintains a cash and investment pool - Stanislaus County Treasurer's Pool - for the purpose of increasing interest income through investment activities. This pool, which is available for use by all funds, is displayed on the statement of net assets/balance sheet as "cash and investments." The Stanislaus County Treasurer's Pool generally limits participation in the pool to those agencies and districts required to participate by legal provisions of the California State Government Code for those agencies and districts. Voluntary participation is limited to the Stanislaus County Employees Retirement System (StanCERA) and independent special districts, which represent approximately 3% of the pool. While StanCERA participates in the County Treasurer's Pool, the majority of their cash and investments are managed separately from the County Pool. The County has no legally binding guarantees to support the shares in the County Treasurer's Pool.

The share of each fund in the Stanislaus County Treasurer's Pool is separately accounted for and interest is apportioned quarterly based on the relationship of the fund's average daily cash balance to the total of the pooled cash and investments. In accordance with Government Code Section 53647, interest on all money deposited in the County Treasury belongs to the County unless otherwise directed by law or the County Board of Supervisors. The County has numerous funds in which the interest earned is deposited into the General Fund to comply with the above code section.

The Stanislaus County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code section 53600 et. seq. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

In addition to the restrictions and guidelines of the Government Code, cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer and accepted by the Board of Supervisors. The objectives of the policy are, in order of priority, legality of investment, safety of principal, liquidity and yield.

Note 5: **Cash and Investments** (continued)

Total County cash and investments are as follows:

Cash and Investments	
Imprest cash	$ 98,908
Cash in banks-department administered	5,161,195
In custody of Treasurer:	
Cash on hand	108,241
Cash in bank	8,729,748
Investments held by Treasurer	1,119,908,667
Less outstanding checks	(54,248,514)
Total in custody of Treasurer	1,074,498,142
Investments held by fiscal agents:	
Tobacco settlement	99,485,751
Tobacco funding corporation	4,782,224
General fund	1,000,087
Stock investment	57,416
Bond requirements	16,012,419
Total investments held by agents	121,337,897
Employees' retirement trust:	
Cash (outside Treasurer's pool)	25,310,445
Investments	1,468,649,205
Total cash and investments	$ 2,695,055,792

Total County cash & investments are reported as follows:	
Primary government	
Cash and investments	$ 329,092,352
Investments with fiscal agent	121,337,895
Restricted cash & investments	31,286,874
Employees' retirement trust	
Cash and investments	33,274,567
Other investments	1,468,649,205
Investment trust - cash and investments	701,357,802
Agency funds - cash and investments	10,057,097
Total cash and investments	$ 2,695,055,792

Interest Rate Risk - This is the risk of loss due to the fair value of an investment falling because of rising interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

- *Stanislaus County Treasurer's Pool.* The County's policy for interest rate risk allows investments to be sold prior to maturity at a loss if such sale will allow investment in a higher yield vehicle and any loss upon sale can be more than compensated by additional interest earning within a six month period. Of the County's $1.2 billion portfolio, over 77% of the investments have a maturity of 1 year or less. No investment has maturity greater than 4 years.

Note 5: **Cash and Investments** (continued)

Interest Rate Risk (continued)

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio, under a separate investment policy, includes Municipal bonds with maturities of up to 30 years that are sensitive to interest rate changes. These bonds are all insured, which tends to reduce interest rate risk.

- *StanCERA's Investment Portfolio.* StanCERA's average effective duration of all fixed income holdings, reflecting all instruments including Collateralized Mortgage Obligations and Asset-Backed Securities, must be maintained at plus or minus 1.5 years of the Lehman Aggregate bond index duration. At year end the Lehman Aggregate Bond Index was yielding 5.10% with an effective duration of 4.68 years. StanCERA had a yield of 6.30% with an effective duration of 3.88 years.

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

- *Stanislaus County Treasurer's Pool.* The County is permitted to hold investments of issuers with a short-term rating of "A-1" and a minimum long-term rating of "A" by two of the top nationally recognized statistical rating organizations (rating agencies). Additionally, the County is permitted to invest in U.S. Treasuries, Government Sponsored Enterprises (Agencies), the State's Local Agency Investment Fund and collateralized certificates of deposit that are un-rated.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes insured, triple A rated Municipal bonds that make up 47% of the portfolio. The rest of the portfolio is invested in money market and mutual funds with maturities of less than one year.

- *StanCERA's Investment Portfolio.* Under StanCERA policy, the fixed income portfolio must have an average quality rating of A or better in the aggregate as measured by at least one credit rating service. Investment grade quality is defined as BBB rated or higher at time of purchase. In cases where credit rating agencies assign different quality ratings to a security, the lower rating will be used. Should the rating of a fixed income security fall below investment grade, the manager may continue to hold the security if they believe the security will be upgraded in the future, there is a low risk of default, and buyers will continue to be available throughout the anticipated holding period. The manager has the responsibility of notifying the StanCERA Board whenever an issue falls below investment grade. The notification should include the manager's assessment of the issue's credit rating and its ongoing role in the portfolio.

Note 5: **Cash and Investments** (continued)

Credit Risk (continued)

StanCERA's Investment Portfolio (continued)

The following table shows the quality of StanCERA's investments in fixed income securities on June 30, 2008.

Credit Rating	Active Management	Fixed Income Securties Amount
AAA	55.71%	$ 243,184,634
AA+	1.15%	5,020,130
AA-	4.45%	19,425,972
A+	2.73%	11,935,231
A	3.49%	15,231,614
A-	3.55%	15,514,163
BBB+	7.42%	32,404,698
BBB	2.30%	10,051,249
BBB-	3.58%	15,624,280
BB+	1.43%	6,229,704
BB	0.50%	2,193,000
BB-	0.19%	837,200
B	5.65%	24,659,187
B-	2.25%	9,823,625
Unrated	5.60%	24,386,032
	100.00%	$ 436,520,719

Custodial Credit Risk-deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

- *Stanislaus County Treasurer's Pool and other deposits.* At year-end, Stanislaus County had no custodial credit risk exposure to any depository financial institution. As per State of California Government Code (Section 53630 – 53683), our depository banks, i.e., Bank of the West, Union Bank of California, and US Bank collateralize Stanislaus County public funds with eligible securities having a market value of at least 110% of the actual amount on deposit. These securities are maintained with the third party custodians. The collateral is held in a pool based on the bank's total public deposits. The County did not have deposits in any foreign currency.

- *StanCERA's Investment Portfolio.* At year end, StanCERA had no custodial credit risk exposure to any depository financial institution. All deposits are placed with a custodial bank. The custodian is responsible for maintaining an adequate level of collateral in an amount equal to 102% of the market value of loaned securities. Collateral received may include cash, letters of credit, or securities. If securities collateral is received, StanCERA cannot pledge or sell securities collateral unless the borrower defaults.

Custodial Credit Risk-investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Note 5: **Cash and Investments** (continued)

Custodial Credit Risk-investments (continued)

- *Stanislaus County Treasurer's Pool and Stanislaus County Tobacco Settlement Investment Portfolio.* All negotiable instruments are held by the County's custodian or a third party in the County's name. The County did not participate in securities lending. The investment policy prohibits investment in instruments denominated in a foreign currency.

- *StanCERA's Investment Portfolio.* State statutes and Board of Retirement Investment Policy permit StanCERA to participate in a securities lending program. StanCERA's custodial bank administers its securities lending program. At year-end, StanCERA had no custodial credit risk exposure to borrowers because the amounts StanCERA owed to borrowers exceeded the amounts the borrowers owed to StanCERA. StanCERA's contract with the custodian requires it to indemnify StanCERA if the borrower fails to return the securities and the collateral is inadequate to replace the securities lent or fail to pay StanCERA for income distributions by securities issuers while securities are on loan.

  As of June 30, 2008, StanCERA had securities on loan with a carrying value of $194,720,509 and cash collateral of $201,710,234. The accrued market value of loaned securities was $201,992,815. The types of securities lent were U.S. Government and Agencies, U.S. Corporate Fixed Income and U.S. Equities. There are no restrictions on the amount of securities that may be lent.

Foreign Currency Risk – This is the risk that changes in exchange rates may adversely affect the fair value of an investment

- *StanCERA's Investment Portfolio.* StanCERA's external investment managers may invest in international securities and must follow StanCERA's Investment Guidelines pertaining to these types of investments.

  The fair value, in US dollars, of StanCERA's foreign currency at June 30, 2008 was $257,949,302, distributed as follows:

Currency	*Fair Vaue (in US $)*	*Currency*	*Fair Vaue (in US $)*	*Currency*	*Fair Vaue (in US $)*
Australian Dollar	$ 13,862,022	Finnish Markka	$ 3,770,486	New Taiwan Dollar	$ 3,971,894
Austrian Schilling	602,711	French Franc	17,498,709	Norwegian Krone	4,534,482
Belgian Franc	544,845	Greek Drachma	848,075	Portuguese Escudo	363,684
Bermudan Dollar	2,272,064	Hong Kong Dollar	3,401,625	Renminbi Yuan	1,560,273
Brazilian Real	2,414,400	Indian Rupee	522,152	Russian New Ruble	3,059,825
British Pound Sterling	43,355,666	Irish Pound	1,208,057	Singapore Dollar	4,764,720
Canadian Dollar	8,037,155	Israeli Shekel	549,643	South African Rand	1,249,647
Cayman Island	98,135	Italian Lira	7,093,338	South Korean Won	2,691,103
Colombian Peso	634,078	Japanese Yen	42,346,227	Spanish Peseta	8,422,083
Danish Krone	1,456,691	Luxembourg Franc	1,197,342	Swedish Krona	4,095,948
Deutche Mark	22,875,323	Mexican Nuevo Peso	2,192,908	Swiss Franc	14,662,748
Euro Currency	343,284	Netherland Guilder	5,583,762	US Dollar	25,864,197

Note 5: **Cash and Investments** (continued)

Concentration of Credit Risk - This is the risk of loss due to a large concentration of investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not considered at risk.

- *Stanislaus County Treasurer's Pool.* Over 77% of the County's investments, including collateral on repurchase agreements, were in the U.S. Government or Government Sponsored Enterprises (Agencies). The following Agencies each comprised more than 5% of the pool investments:

Federal National Mortgage Association	*22.77%*
Federal Home Loan Mortgage Corporation	*20.54%*
Federal Home Loan Bank	*20.54%*
Federal Farm Credit Bank	*10.27%*

Of the 23% of the portfolio invested in other types of investments, no investment in a single issuer exceeds 5%.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes California State Municipals bonds that comprise 6% of the portfolio.

- *StanCERA's Investment Portfolio.* StanCERA's policy requires that not more than 5% of the total StanCERA stock portfolio, valued at market, may be held in the common stock of any one corporation. Not more than 5% of the outstanding shares of any one company may be held. Individual investment managers are to hold no more than 8% of the market value of the manager's entire stock portfolio in any one company's stock. Not more than 25% of the stock valued at market may be held in any one industry category, as defined by the Retirement Association's consultant, without special permission from the StanCERA Board.

  With the exception of securities issued by the U.S. Government and its agencies, no single fixed income issue will represent more than 5% of the total portfolio as measured by market value at time of purchase. Holdings of any individual issue must be 5% or less of the value of the total issue.

  At June 30, 2008, StanCERA had the following investments:

Fixed Income Securities	
U S Treasuries	$ 25,026,339
Single Family Mortgage Backed Securities	183,740,385
Multi Family Mortgage Backed Securities	8,598,793
Collateralized Mortgage Backed Securities	12,876,800
Federal Agency	12,705,680
Asset Backed	8,898,254
Corporate Bonds	184,674,468
	$ 436,520,719
Equities	
Domestic	$ 436,044,979
International	276,163,826
Mutual Funds	118,209,447
Collateral on loaned securities	$ 201,710,234
Total Investments	$1,468,649,205

Note 5: **Cash and Investments** (continued)

The following schedule indicates the credit and interest rate risk at June 30, 2008. The credit ratings listed are for the lower of Standard and Poor's or Moody's Investor Services. Certain investments such as U.S. Treasuries and the State's Local Agency Investment Fund are un-rated.

Stanislaus County Investments
Maturity Distribution - Fair Value (000's)
6/30/2008

		Maturity							
	Credit Rating	< 30 Days	31 - 60 Days	61 - 90 Days	91 - 180 Days	181 - 360 Days	1 - 2 Years	2 - 3 Years	Total
Commercial Paper	Unrated	39,990							39,990
Bankers Acceptance	A-1+	35,931			47,686				83,617
Local Agency Investment Fund	Unrated	40,000							40,000
FFCB Coupon	AAA					40,575	25,141	50,711	116,427
FHLB Coupon	AAA				20,181	51,062	75,578	25,734	172,555
FNMA Coupon	AAA					20,263		25,758	46,021
FRED Coupon	AAA						25,652	25,721	51,373
FHLB Discount	AAA	29,933	29,932						59,865
FNMA Discount	AAA		59,753	49,780	69,491	29,524			208,548
FRED Discount	AAA	19,969	29,917	29,883	99,265				179,034
Treasury Notes	AAA		20,050						20,050
UBS O/N Repo (Various Agencies/Treasuries)	AAA	50,243				20,545			70,788
Medium Term Notes	Unrated	5,005	5,008	3,505	5,038	13,085			31,641
Total Treasury Pool Investments		221,071	144,660	83,168	241,661	175,054	126,371	127,924	1,119,909
Money Market Funds	Unrated	63							63
FNMA Note	Unrated			4,719					4,719
Total Tobacco Funding Corp Investments		63	0	4,719	0	0	0	0	4,782

		Maturity							
	Credit Rating	< 30 Days	31 - 360 Days	1 - 3 Years	3 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	Total
Money Market Funds	Unrated	23,154							23,154
Mutual Funds	Unrated	29,659							29,659
Muncipal Bonds - Insured	A1				3,668				3,668
Muncipal Bonds - Insured	A2				13,819	1,990			15,809
Muncipal Bonds - Insured	A3				1,917				1,917
Muncipal Bonds - Insured	AA				13,450				13,450
Muncipal Bonds - Insured	AA3					2,664			2,664
Muncipal Bonds - Insured	AAA				10,165				10,165
Total Tobacco Settlement Investments		52,813	0	0	43,019	4,654	0	0	100,486
Money Market/Mutual Funds	Unrated	9,999							9,999
Investment Agreements	Unrated				1,076		1,792	3,145	6,013
Total Bond Requirements		9,999	0	0	1,076	0	1,792	3,145	16,012

Note 5: **Cash and Investments** (continued)

In accordance with GASB No. 31, investments are reported on the statement of net assets/balance sheet at their fair value and all changes in fair value are reflected in income of the period in which they occur. Fair values were obtained from our custodial statement for all investments having greater than 90 days to maturity in the following categories:

U.S. Agency and GSE Bonds and Notes
U.S. Treasury Bonds, Notes and Bills
Corporate Bonds and Notes

Amortized cost was used for all investments having 90 days or less to maturity, which may include the following categories:

Commercial Paper
State of California Local Agency Investment Fund
U.S. Agency and GSE Bonds and Notes
U.S. Treasury Bonds, Notes and Bills
Repurchase Agreements
Corporate Bonds and Notes
Money Market Funds

Book cost was used for collateralized Certificates of Deposit purchased from state and nationally chartered banks.

During the fiscal year the County Treasurer's Pool included investments in negotiable Certificates of Deposit as well a those investments owned at June 30, 2008.

The Stanislaus County Treasurer's Pool maintains some investment in the State of California Local Agency Investment Fund (L.A.I.F.). The total amount invested by all public agencies in L.A.I.F. at June 30, 2008 was $25.1 billion. L.A.I.F. is part of the State of California Pooled Money Investment Account (P.M.I.A.) whose balance at June 30, 2008 was $69.9 billion. No amount was invested in any derivative financial products. P.M.I.A. is not SEC-registered, but is required to invest according to California State Code. The average maturity of P.M.I.A. investments was 212 days as of June 30, 2008.

The Local Investment Advisory Board (Board) has oversight responsibility for L.A.I.F. The Board consists of five members as designated by state statute. The value of the pool shares in L.A.I.F., which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury's portion in the pool. Withdrawals from L.A.I.F. are done on a dollar to dollar basis.

In accordance with GASB 31, investments are marked to fair values annually and an adjustment is made to each fund accordingly. However, actual daily activity is done on a dollar to dollar basis and only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

Note 5: **Cash and Investments** (continued)

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool at June 30, 2008:

Statement of Net Assets	
Net assets held for pool participants	$ 1,074,498,142
Equity of external pool participants	$ 718,998,877
Equity of internal pool participants	355,499,265
Total Equity	$ 1,074,498,142
Statement of Changes in Net Assets	
Net assets at July 1, 2007	$ 835,191,137
Net investment income	46,977,327
Net contributions and withdrawls	192,329,678
Net assets at July 1, 2008	$ 1,074,498,142

Stanislaus County Treasurer's Pool
Summary of Investments
6/30/2008

	Fair Value	Dollar Cost	Interest Rate Range		Maturity Range	
Commercial Paper	$ 39,989,694	$ 39,822,400	2.65%	2.68%	07/01/08	07/01/08
Bankers Acceptances	83,616,309	83,253,636	2.44%	2.55%	07/14/08	11/10/08
Managed Funds	40,000,000	40,000,000	3.11%	3.11%	07/01/08	07/01/08
Agencies - Coupon	386,376,250	379,997,567	3.07%	5.25%	12/05/08	08/25/11
Agencies - Discount	447,448,138	444,144,650	1.97%	3.92%	07/21/08	02/26/09
Treasuries - Coupon	40,595,400	40,045,052	4.95%	5.50%	07/31/08	05/15/09
Repur. Agreemnts-Roll	50,243,296	50,243,296	2.26%	2.26%	07/01/08	07/01/08
Medium Term Notes	31,639,580	31,827,873	3.40%	7.25%	07/15/08	04/01/09
Total	$ 1,119,908,667	$ 1,109,334,474				

Note 6: Interfund Transactions

Interfund Receivables/Payables

The compositions of interfund balances as of June 30, 2008 are as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	
General Fund	Other Governmental Funds	$ 268,601	To cover deficit cash balance
General Fund	Internal Service Funds	48,511	To cover deficit cash balance
		317,112	Sub total
Behavioral Health & Recovery	General Fund	503,017	For services provided
Community Services Agency	General Fund	93,105	For services provided
Community Services Agency	Other Governmental Funds	69,171	To cover deficit cash balance
Other Governmental Funds	General Fund	828,534	State realignment
Other Governmental Funds	Other Governmental Funds	49,652	For services provided
Other Governmental Funds	Health Clinics and Ancillary Services	549,600	For services provided
Health Clinics and Ancillary Services	General Fund	34,522	State realignment
		2,127,601	Sub total
		$ 2,444,713	Total

Advances To/From

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	$ 500,000
		$ 500,000

The General Fund has loaned the Redevelopment Agency $400,000 for administrative costs that will be recovered through property taxes. The General Fund has loaned the Public Works department $100,000 for dangerous building abatement.

Interfund Note payable/receivable

Receivable Fund	Payable Fund	Amount
Investment Trust Fund	Health Clinics and Ancillary Services	$ 18,190,553

The Health Clinics and Ancillary Services Fund has borrowed long-term from the Investment Trust Fund. The note is expected to be repaid with interest by July 2020. The interest will be credited each fiscal year end based on the Treasurer's pool rate. Annual transfers from the County's General Fund to the Health Services Agency will be the source of funds to retire the note.

Note 6: **Interfund Transactions** (continued)

Transfers

Transfer from	Transfer to	Amount	Purpose
General Fund	Community Services Agency	$ 7,560,634	County progrm contributions
	Behavioral Health and Recovery	8,637,944	County progrm contributions
	Other Governmental Funds	36,582,609	County progrm contributions and debt service
	Health Clinics and Ancillary Services	15,302,381	County program contribution
	Other Enterprise Funds	364,048	County program contribution
	Fink Landfill	373,321	Land excess transfer
		68,820,937	
Tobacco Settlement	General Fund	3,264,833	Interest distribution
		3,264,833	
Behavioral Health and Recovery	Community Services Agency	8,201	Contributions to joint programs
	Other Governmental Funds	761,852	Contributions to joint programs and debt service
		770,053	
Community Services Agency	Other Governmental Funds	2,232,796	Contributions to programs and debt service
		2,232,796	
Public Facility Fees	General Fund	4,408,446	Capital assets purchases
	Behavioral Health and Recovery	381,410	Capital assets purchases
	Other Governmental Funds	8,949,906	Capital assets purchases
		13,739,762	
Other Governmental Funds	General Fund	1,129,722	Various contributions to programs
	Other Governmental Funds	1,864,252	Various contributions to programs and debt service
	Health Clinics and Ancillary Services	199,000	Various contributions to programs
	Internal Service Funds	676	Various contributions to programs
		3,193,650	
Health Clinics and Ancillary Services	Other Governmental Funds	319,887	To pay debt service
		319,887	
Other Enterprise Funds	Behavioral Health and Recovery	4,508,382	Reimburse administrative costs of programs
	Other Governmental Funds	79,168	To pay debt service
		4,587,550	
Fink Landfill	Geer Landfill	450,000	Landfill closure/post-closure
	Other Governmental Funds	27,841	To pay debt service
		477,841	
Internal Service Funds	General Fund	158,386	Insurance reimbursment
	Behavioral Health and Recovery	12,546	Insurance reimbursment
	Other Governmental Funds	158,862	Cost of malpractice insurance and debt service
	Health Clinics and Ancillary Services	1,003,433	Cost of malpractice insurance
	Internal Service Funds	126,444	Insurance reimbursment for Fleet vehicle
		1,459,671	
		$ 98,866,980	

Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance July 1, 2007	Additions	Retirements	Adjustments & Transfers	Balance June 30, 2008
Governmental Activities					
Capital assets, not being depreciated:					
Land	$ 38,381,111	$ 687,111	$ -	$ 934,720	$ 40,002,942
Construction in progress	33,869,571	5,373,909	-	-	39,243,480
Total capital assets, not being depreciated	72,250,682	6,061,020	-	934,720	79,246,422
Capital assets, being depreciated:					
Infrastructure	978,429,107	479,452	(80,694)	(36,739)	978,791,126
Structures and improvements	168,802,917	335,668	-	-	169,138,585
Equipment	78,341,506	9,555,865	(3,474,435)	463,703	84,886,639
Total capital assets, being depreciated	1,225,573,530	10,370,985	(3,555,129)	426,964	1,232,816,350
Less accumulated depreciation for:					
Infrastructure	(657,595,800)	(24,086,868)	19,366	36,739	(681,626,563)
Structures and improvements	(52,619,376)	(4,867,580)	-	-	(57,486,956)
Equipment	(38,736,416)	(6,803,581)	2,560,412	(23,491)	(43,003,076)
Total accumulated depreciation	(748,951,592)	(35,758,029)	2,579,778	13,248	(782,116,595)
Total capital assets, being depreciated, net	476,621,938	(25,387,044)	(975,351)	440,212	450,699,755
Government activities capital assets, net	$ 548,872,620	$ (19,326,024)	$ (975,351)	$ 1,374,932	$ 529,946,177
Business-type Activities					
Capital assets, not being depreciated:					
Land	$ 16,397,602	$ -	$ -	$ (934,720)	$ 15,462,882
Total capital assets, not being depreciated	16,397,602	-	-	(934,720)	15,462,882
Capital assets, being depreciated:					
Structures and improvements	22,853,104	755,136	(7,497,810)	1,963	16,112,393
Equipment	11,891,438	748,935	(1,617,741)	(146,520)	10,876,112
Total capital assets, being depreciated	34,744,542	1,504,071	(9,115,551)	(144,557)	26,988,505
Less accumulated depreciation for:					
Structures and improvements	(13,327,444)	(619,253)	2,505,385	(383)	(11,441,695)
Equipment	(7,686,885)	(605,346)	1,435,848	137,635	(6,718,748)
Total accumulated depreciation	(21,014,329)	(1,224,599)	3,941,233	137,252	(18,160,443)
Total capital assets, being depreciated, net	13,730,213	279,472	(5,174,318)	(7,305)	8,828,062
Business-type activities capital assets, net	$ 30,127,815	$ 279,472	$ (5,174,318)	$ (942,025)	$ 24,290,944

Note 7: **Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

	Equipment	Structures and Improvements	Infrastructure	Total
General government	$ 597,577	$ 918,221	$ -	$ 1,515,798
Public protection	1,653,057	2,493,453	-	4,146,510
Public ways	4,214	51,563	24,086,868	24,142,645
Health and sanitation	400,766	139,823	-	540,589
Public assistance	261,396	649,927	-	911,323
Education	2,045,192	207,048	-	2,252,240
Recreation	152,250	382,629	-	534,879
Internal service funds	1,689,129	24,916	-	1,714,045
Total	$ 6,803,581	$ 4,867,580	$ 24,086,868	$ 35,758,029

Depreciation expense was charged to the business-type functions as follows:

	Equipment	Structures and Improvements	Total
Transit	$ 243,927	$ -	$ 243,927
Fink Road Landfill	101,949	376,460	478,409
Geer Road Landfill	712		712
Behavioral Health Center	1,269	61,172	62,441
Health Clinics and Ancillary Ser	239,210	175,639	414,849
Inmate Welfare/Commissary	18,279	5,982	24,261
	$ 605,346	$ 619,253	$ 1,224,599

Note 8: **Receivables**

Accounts receivable, net of allowance for uncollectibles, includes receivables from federal, state, and local governments in the net amount of $31,280,232. Patient accounts receivable at Health Clinics and Ancillary Services of $25,310,874 net of an allowance for uncollectibles of $17,360,650, leaves a net receivable of $7,950,224. Substantially all other receivables are deemed collectible.

At June 30, 2008, deferred revenue and unearned revenue were reported as follows:

Governmental Activities:	Unavailable	Unearned
General fund:		
Property taxes receivable	$ 82,042	
Accounts receivable	26,820	
Interest receivable	18,239	
Advanced deposits for animal services		$ 6,676
Advanced deposits for sheriff services		24,895
Grant drawdowns prior to meeting all eligibility requirements		1,452,819
Behavioral Health and Recovery		
Grant drawdowns prior to meeting all eligibility requirements		3,623,552
Tobacco Settlement		
Interest receivable	833,427	
Community Services Agency:		
Grant drawdowns prior to meeting all eligibility requirements		7,361,127
Nonmajor funds:		
Grant drawdowns prior to meeting all eligibility requirements		1,958,563
	$ 960,528	$ 14,427,632

Note 9: **Property Taxes**

The County's property taxes are levied July 1 (Unsecured Roll) and October 1 (Secured Roll) on assessed values established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined, subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index (CPI) not to exceed an increase of 2%. Property is re-appraised from the 1975/76 base year value to current full value upon either (1) a change in ownership, or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is re-appraised). Thereafter, it continues to be increased annually by the change in the CPI not to exceed 2%. The total gross assessed value for the 2007/2008 fiscal year is $43,345,532,038.

The County is permitted by Section 93, of the California Revenue and Taxation Code, to levy taxes up to $1.00 per $100 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation bonds or other indebtedness approved by a two-thirds vote of its voters after June 4, 1986. Taxes are allotted to local agencies and school districts as outlined in Sections 95 through 100 of the California Revenue and Taxation Code.

Taxes are due in one installment (Unsecured Roll) on billing and are subject to late payment penalties if paid after August 31, or two installments (Secured Roll) due on November 1 and February 1, and again subject to the late payment penalties if paid after December 10 and April 10, respectively.

The County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code (otherwise known as the "Teeter Plan"). Under this method, the accounts of all political subdivisions that levy taxes on the County tax roll are credited with 100% of their respective secured ad valorem tax levy, regardless of the actual payments and delinquencies. This method then provides for all the delinquent penalties and redemptions flow to the County's General Fund. In addition, Section 4703.2 of the California Revenue and Taxation Code requires that a property tax loss reserve be maintained at not less than 25% of the total delinquent secured taxes.

Taxes receivable in the General Fund includes $42 million long term property tax receivable resulting from the Teeter method of distribution. This long term receivable as well as another $10 million expected to be collected next fiscal year have already been credited to other governments. These property tax receivables will be collected from the taxpayers.

Unsecured taxes are accrued in the period when they are levied and are recognized when they become available. "Available" means, due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. This period was 60 days from the end of the fiscal year. Property taxes receivable that do not meet the "available" criteria are recorded as deferred revenue.

Note 10: Leases

Operating Leases

The County is committed under various operating leases for building and office space and business and data processing equipment.

Aggregate rental expense for all operating leases approximated $3,782,847 for all fund types for the year ended June 30, 2008. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2008.

Year Ending June 30,	
2009	$ 3,428,553
2010	2,669,760
2011	2,306,739
2012	2,005,694
2013	1,554,619
2014-2016	2,416,881
Total Mimimum Lease Payments	$ 14,382,246

The Stanislaus Waste Energy Company (SWEC) has a lease agreement with the County to lease the 16-acre site on which the waste energy facility was built. The lease term is 35 years and contains a 15-year option to renew at the lessee's (SWEC) option. The County purchased the land in 1974 for $6,161.

The County also has an agreement with the Stanislaus County Office of Education to lease 15,000 square feet of Building #1 at the County Center III site for the purpose of a print shop. The term is 6 years with a mutual option to renew.

The following is a schedule of future lease revenue on these noncancelable leases at June 30, 2008.

Year Ending June 30,	
2009	$ 338,400
2010	326,700
2011	198,000
2012	198,000
2013	198,000
2014-2018	990,000
2019-2021	594,000
Total minimum lease revenue	$ 2,843,100

Note 10: **Leases** (continued)

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become property of the County when all terms of the lease agreements are met:

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2008
Governmental activities:		
Building	0.00-7.24%	$ 98,467
Equipment	0.00-7.24%	295,578
		$ 394,045
Business-type activities:		
Equipment	3.00-6.94%	$ 24,770
		$ 24,770
Total capital lease obligations		$ 418,815

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008 were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities
2009	$ 160,603	$ 6,733
2010	138,491	6,734
2011	92,249	6,733
2012	23,481	6,734
2013	15,654	1,123
Total Minimum Lease Payments	430,478	28,057
Less: Amounts Representing Interest	(36,433)	(3,287)
Present Value of Minimum Lease Payments	394,045	24,770
Less: Current Portion of Capital Leases	(140,960)	(5,394)
Long-term Capital Lease Obligation	$ 253,085	$ 19,376

Equipment and related accumulated amortization under capital leases are as follows:

	Governmental Activities	Business-type Activities
Building	$ 105,128	$ -
Equipment	516,426	29,170
Less: accumulated depreciation	(158,321)	(3,980)
Net value	$ 463,233	$ 25,190

Note 11: Long-Term Debt

A. Summary of Long-Term Debt

The following is a summary of long-term liability transactions for the year ended June 30, 2008:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008	Amounts Due Within One Year
Governmental Activities:					
Risk management liability	$ 22,727,297	$ 9,325,777	$ (8,649,652)	$ 23,403,422	$ 7,733,434
Certificates of participation	103,678,344		(6,554,560)	97,123,784	7,181,920
Plus issuance premium	1,557,697		(144,343)	1,413,354	144,343
Bonds payable	78,590,000		(7,930,000)	70,660,000	8,145,000
RDA loans	5,768,405		(191,110)	5,577,295	200,330
Tobacco securitization note	104,733,611		(1,650,000)	103,083,611	2,350,000
Accreted interest tobacco note	3,127,014	2,852,847		5,979,861	
Capital lease payable	271,321	213,980	(91,256)	394,045	140,960
Compensated absences	25,898,381	15,968,757	(14,697,817)	27,169,321	1,007,207
Total Governmental Activities	$ 346,352,070	$ 28,361,361	$ (39,908,738)	$ 334,804,693	$ 26,903,194
Business-type Activities:					
Risk management liability	$ 489,000	$ 284,000	$ (489,000)	$ 284,000	$ 284,000
Certificates of participation	881,656		$ (160,440)	721,216	168,080
Compensated absences	1,990,220	155,231	(788,660)	1,356,791	104,500
Capital lease payable	41,145	24,770	(41,145)	24,770	5,394
Total Business-Type Activities	$ 3,402,021	$ 464,001	$ (1,479,245)	$ 2,386,777	$ 561,974

With the exception of the Professional Liability Insurance Fund, which serves the Health Clinics and Ancillary Services Enterprise Fund, internal service funds serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end $552,771 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, risk management liability and compensated absences are generally liquidated by the General Fund.

Note 11: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

As of June 30, 2008, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30	Governmental Activities			
	Bonds Payable		Certificates of Participation	
	Principal	Interest	Principal	Interest
2009	$ 8,345,330	$ 4,680,231	$ 7,181,920	$ 4,043,389
2010	8,934,680	4,083,596	7,444,280	3,772,418
2011	9,579,165	3,443,272	7,721,640	3,483,976
2012	10,258,789	2,755,592	8,010,944	3,183,698
2013	10,998,556	2,017,680	6,945,000	2,870,338
2014-2018	14,330,775	4,225,956	37,390,000	9,359,295
2019-2023	2,860,000	3,124,381	13,845,000	3,214,773
2024-2028	3,185,000	2,355,389	8,585,000	574,109
2029-2033	3,550,000	1,489,738		
2034-2038	3,310,000	547,155		
2039-2042	885,000	76,825		
Totals	$ 76,237,295	$ 28,799,815	$ 97,123,784	$ 30,501,996

Year Ending June 30	Tobacco Securitization Note		Tobacco Securitization Note 2006	
	Principal	Interest	Principal	Interest
2009	$ 2,350,000	$ 3,448,732		
2010	2,565,000	3,301,338		
2011	2,795,000	3,156,181		
2012	3,285,000	2,998,881		
2013	3,555,000	2,821,231		
2014-2018	22,900,000	10,801,389		
2019-2023	23,480,000	3,120,506		$ 18,595,106
2024-2028				40,918,013
2029-2033			$ 23,793,381	44,577,799
2034-2038			9,446,325	48,849,499
2039-2043				53,053,381
2044-2045			8,913,905	20,137,298
Totals	$ 60,930,000	$ 29,648,258	$ 42,153,611	$ 226,131,096

The above Tobacco Securitization Note amortization schedule assumes that the turbo payments will be made. If the projected tobacco sales do not occur, then the amortization schedule will change to reflect less principal being paid each year, maturing in 2055.

Note 11: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

As of June 30, 2008, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30	Business-type Activities Certificates of Participation Principal	Interest
2009	$ 168,080	$ 35,549
2010	175,720	27,481
2011	183,360	18,871
2012	194,056	9,703
Totals	$ 721,216	$ 91,604

B. **Long Term Obligations**

A summary of certificates of participation at year-end follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2008
Governmental activities:					
1997 Series B Refunding	3.75-5.00	12/16/1997	6/1/2012	$ 9,105,056	$ 4,898,784
1998 Series A	3.75-4.75	3/1/1998	9/1/2018	22,160,000	14,950,000
2004 Series A	1.63-4.38	3/26/2004	9/1/2025	15,371,663	14,170,000
2004 Series B	1.63-4.38	3/26/2004	9/1/2025	27,511,451	25,360,000
2007 Series A Refunding	3.65-5.75	2/1/2007	5/1/2018	42,081,614	37,745,000
Total governmental activities				$ 116,229,784	$ 97,123,784
Business-type activities:					
1997 Series B Refunding	3.75-5.00	12/16/1997	6/1/2012	$ 1,524,944	$ 721,216
Total business-type activities				$ 1,524,944	$ 721,216
Total				$ 117,754,728	$ 97,845,000

A summary of notes payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2008
Tobacco Securitization Note	5.5-7.5	3/21/2002	6/1/2043	$ 67,305,000	$ 60,930,000
2006 Tobacco Securitization Note	5.75-7.25	3/29/2006	6/1/2055	42,153,611	48,133,472
Total				$ 109,458,611	$ 109,063,472

Note 11: **Long-Term Debt** (continued)

B. **Long Term Obligations** (continued)

A summary of bonds payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2008
1995 Pension Obligation Bonds	7.15	9/25/1995	8/15/2013	$ 108,970,000	$ 55,790,000
RDA State Water Resources Board Loan	3.1	9/13/1995	12/12/2015	2,646,310	1,252,295
RDA 2005 TAB	3.5-5.42	12/20/2005	8/1/2036	15,615,000	14,870,000
RDA USDA Loan	4.25	8/21/2003	8/1/2041	4,525,000	4,325,000
Total				$ 131,756,310	$ 76,237,295

Purpose for County Borrowings

1997 Series B Refunding	Purchase medical arts building and construct jail kitchen laundry
1998 Series A	Construct a portion of government building with the City of Modesto
2004 Series A	Construction of Gallo Center for the Arts
2004 Series B	Construction of 12th Street office building and parking garage
2007 Series A Refunding	Construct Public Safety Center and Community Services building
1995 Pension Obligation Bonds	Pay StanCERA for unfunded actuarial accrued liability
RDA State Water Resources Board	To build Bret Harte sewer collection and transfer system
RDA 2005 TAB	To pay for Keyes storm drain project
RDA USDA Loan	To pay for Salida storm drain project
Tobacco Securitization Note	To purchase future tobacco settlement revenue
Tobacco Securitization Note 2006	To purchase future tobacco settlement revenue

C. **Tobacco Settlement Asset-Backed Bonds**

The County has issued two series of capital appreciation bonds. The first series is the Series 2002 Tobacco Settlement Asset-Backed Bonds and the second is the Series 2006 Tobacco Settlement Asset-Backed Bonds. Capital appreciation bonds are debt securities on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return.

The California County Tobacco Securitization Agency (the Agency) issued bonds and loaned the proceeds to a nonprofit corporation formed by the County called the Stanislaus County Tobacco Funding Corporation (the Corporation) which, in turn paid the proceeds to the County. The bonds are limited obligations of the Agency payable solely from payments made by the Corporation from tobacco settlement revenues purchased from the County.

Note 11: **Long-Term Debt** (continued)

C. **Tobacco Settlement Asset-Backed Bonds** (continued)

In April 2002, the Agency issued the Tobacco Settlement Asset-Backed Bonds on behalf of the Corporation, which is reported as a blended component unit of the County. The original issue amount of the bonds was $67,305,000 and the expected maturity dates were from June 1, 2019 - 2043. The bonds' interest rates range from 5.5% to 7.5%.

In April 2006 the Agency issued the Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 in the amount of $42,153,611 and the expected maturity dates were from June 1, 2046 - 2055. The bonds' interest rates range from 5.75% to 7.25%.

D. **Arbitrage**

Arbitrage regulations pertain to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable arbitrage rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings and paid $56,696 in arbitrage rebate for the 1997 Series B COP. At June 30, 2008, the County has no outstanding liability for arbitrage.

Note 12: **Solid Waste Landfill Closure and Postclosure Care Costs**

There are two solid waste landfill sites in the County. The Fink Road Sanitary Landfill is owned by the County and is currently operating. The Geer Road Sanitary Landfill is on land jointly owned by the City of Modesto and the County of Stanislaus. This landfill has reached capacity and was closed in June 1990. The County of Stanislaus, by and through its Board of Supervisors, administered the closure operations of the Geer Road Landfill. Both landfills are reported in their entirety as enterprise funds.

State and federal laws require the County to close a landfill once its capacity has been reached and to monitor and maintain the site for thirty subsequent years. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until a landfill is closed. The amount recognized each year to date is based on the landfill capacity used as of the financial statement date.

Note 12: **Solid Waste Landfill Closure and Postclosure Care Costs** (continued)

	Fink Road	Geer Road	Total
Estimated total liability for closure/ postclosure at June 30, 2008	$20,415,573	$ 7,835,560	$28,251,133
Liability recognized as of June 30, 2008	$ 5,679,694	$ 7,835,560	$13,515,254
Landfill capacity used to date	27.82%	100%	
Estimated remaining useful life	25 years		

The estimated costs of closure and postclosure care are subject to changes such as the effects of inflation, technology, revision of laws and other variables. State and federal laws require the County to establish a closure fund to accumulate assets needed for the actual payout of closure and postclosure care costs. Of the restricted cash and investments in the proprietary funds, the following amounts are held for this purpose:

Fink Road Landfill	$16,790,967
Geer Road Landfill	$ 3,512,715

Note 13: **Net Assets/Fund Balances**

Net Assets

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are as follows:

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

Note 13: **Net Assets/Fund Balances** (continued)

Net Assets (continued)

As of June 30, 2008, the County had the following restrictions to net assets:

	Governmental Activities	Business-type Activities
Restricted for:		
Capital projects	$ 119,992,671	$ -
Debt service	16,067,757	-
Other purposes:		
Landfill closure/post-closure	-	20,404,464
Children & families commission	20,714,985	-
Road construction	9,060,147	-
Tax loss reserve	10,983,192	-
Child support service	1,970,806	-
Public assistance	787,920	-
Public health	1,487,452	-
Environmental resources1,1	33,536	-
Lighting & storm drain districts/County service areas	1,817,690	-
Clerk-recorder - capital assets	5,805,392	-
Planning grants	1,141,104	-
Other	3,029,943	
Total other purposes	57,932,167	20,404,464
Total Restricted Net Assets	$ 193,992,595	$ 20,404,464
Amount of total restricted by enabling legislation	$ 48,947	$ -

Fund Balances

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and can be increased, reduced or eliminated by similar actions.

The term "reserved" is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The Board will sometimes designate portions of unreserved (available) fund balance based on tentative future spending plans. Designated portions of fund balance represent financial resources legally available for uses other than those tentatively planned.

Note 13: **Net Assets/Fund Balances** (continued)

Fund Balances (continued)

As of June 30, 2008, the County has reserved or designated fund balances as follows:

Reserved for Encumbrances: This represents that portion of fund balance reserved for encumbrances existing at year end which will result in subsequent year expenditures.

Reserved – Advances to other funds: This represents the portion of fund balance reserved for loans to other funds that are not expected to be repaid in the short-term.

Reserved - Long term receivables: This represents the portion of fund balance related to delinquent property taxes due from the taxpayers not expected to be collected in the short term.

Reserved – Loans to other governments: This represents the portion of fund balance reserved for loans to other governments that are not expected to be repaid in the short-term.

Reserved – Other: This represents that portion of fund balance unavailable for appropriation for the following reasons:

	General Fund	Behavioral Health & Recovery	Community Services Agency	Nonmajor Governmental Funds
Deposits with others	$ 10,000	$	$	$
Inventory				396,403
Imprest cash	40,970	8,701	25,150	14,376
Prepaid items	52,131	2,010		18,658
Tax loss reserve	10,983,192			
Total	$ 11,086,293	$ 10,711	$ 25,150	$ 429,437

Reserved for Capital projects: This represents the portion of fund balance held by trustees for major capital projects.

Reserved for Debt Service: This represents that portion of borrowings which are held in reserve accounts by trustees and that portion of borrowings held in interest reserve accounts for interest payments.

Designated for Debt Service: This represents that portion of available fund balance segregated to meet future principal and interest payments on debt.

Designated for Contingencies: This represents that portion of available fund balances set aside for emergency and unforeseen expenditures.

Note 14: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County has a risk management program with respect to workers' compensation, general and professional liability, unemployment, vision, dental care and purchased insurance. Under its existing workers' compensation insurance plan, the County is responsible for $500,000 per occurrence, with a commercial insurance company providing certain liability coverage for up to $5,000,000. The general liability insurance covers property damage, personal injury, auto, and public officials' errors and omissions. General liability, auto, and public officials' errors and omissions ($25,000 deductible) are the County's responsibility for up to $250,000 per occurrence, with the excess insured by the CSAC Excess Insurance Authority for up to $9,750,000. The County has also purchased optional excess liability coverage in the amount of $5 million. Property damage is insured by a commercial carrier for $562,226,575 with a $10,000 deductible. Unemployment, vision care, and dental insurance are the responsibility of the County. Limited exposure precludes the need for outside coverage.

The Health Services Agency Clinics and Ancillary Services, and the Behavioral Health and Recovery Department participate in the medical malpractice program administered by the CEO Risk Management Division. Under this program, the County has a self-insured retention of $500,000 per occurrence and pays all defense costs. The County also carries excess insurance coverage up to $10,000,000 per claim.

There was no reduction in insurance coverage from the prior year. There were no settlements in excess of insurance coverage for each of the past three fiscal years.

The estimation of claims liability depends on many factors such as inflation, changes in legal doctrine, and damage awards. Accordingly, an actuarial study is done each year to update the estimated claims liabilities. These liabilities include incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Changes in the balances of claims liabilities during the past fiscal year are as follows:

	2006/2007	2007/2008
Unpaid claims as of July 1	23,128,986	23,216,297
Incurred claims (including IBNRs)	9,723,281	10,289,340
Claim payments	(9,635,970)	(9,818,215)
Unpaid claims as of June 30	23,216,297	23,687,422

Note 14: **Risk Management** (continued)

The County is a defendant in several legal actions. In the opinion of County Counsel, it is probable the potential liability for these matters could exceed the County's general liability self-insurance retention of $250,000. Any excess over $250,000 would be covered by excess insurance coverage explained above.

In addition, the County is a defendant in a number of other lawsuits or proceedings arising in the normal course of its activities where the ultimate outcome cannot be predicted with certainty. Management does not expect that these matters will have a material adverse effect on the financial position or changes in the financial position of the County.

Note 15: **Contingent Liabilities**

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Some audits of these programs prior to and for the year ended June 30, 2008, have not been conducted or concluded. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Note 16: **Joint Ventures**

Stanislaus Waste-to-Energy Financing Agency

Stanislaus Waste-to-Energy Financing Agency (Agency) was created May 1, 1989, pursuant to a joint exercise of powers agreement between the City of Modesto and the County of Stanislaus. The Agency is administered by a commission consisting of two members of the City council and two members of the County's Board of Supervisors. The agreement provides that the City and the County shall pay for costs associated with the operation of the Agency and are entitled to all rights and property of the Agency equally.

On May 1, 1990, the Agency issued Certificates of Participation to refinance a bond issued through California Pollution Control Financing Authority. And on February 1, 2000 Refunding Revenue Certificates were issued to refinance the 1990 COPs. Outstanding debt of the Agency at June 30, 2008 is $21,255,000. Financial statements for the Agency are produced biannually and are available from the County of Stanislaus.

Tuolumne River Regional Park

The County participates with the City of Modesto and the City of Ceres in the operation and development of the Tuolumne River Regional Park (TRRP). The governing body consists of two members from each city council and the County Board of Supervisors.

Note 16: **Joint Ventures** (continued)

Tuolumne River Regional Park (continued)

The TRRP Board prepares the annual budget, which must be approved by both cities' councils and the Board of Supervisors. Each participant has an equity interest in the assets of the Park based on the percentage of cumulative contributions paid. As of June 30, 2008, the County's equity interest was $1,709,458. For the fiscal year ending June 30, 2008, the County contributed $1,218,081 to TRRP. Financial statements for TRRP are prepared by the City of Modesto Finance Department and are available from them.

Stanislaus Drug Enforcement Agency

Stanislaus County and the cities of Modesto, Oakdale, Ceres, Patterson, Turlock, Riverbank and Newman are the participants in the Stanislaus Drug Enforcement Agency (SDEA). The purpose of the SDEA is to maintain a specially trained police unit to assist each of the participating agencies in the enforcement of drug control laws, and to study, plan and set priorities for effective enforcement of such laws throughout Stanislaus County.

The governing body consists of the Sheriff to Stanislaus County and the chief of police for each participating city. All participants contributed to the funding of the SDEA budgeted expenditures, based on population and assessed property value. The County's contribution to the SDEA for fiscal year 2008 was $403,880. Upon termination of the agreement, assets will be distributed based on total contributions from each participant. Financial statements of the SDEA are available from the City of Modesto.

The City-County Capital Improvements and Financing Agency

The City-County Capital Improvements and Financing Agency (Agency) was created December 17, 1996, pursuant to a joint exercise of powers agreement between the City of Modesto and the County of Stanislaus. The Agency is administered by a six-member commission consisting of two members of the City Council, two members of the County's Board of Supervisors, the County Chief Executive Officer and the City Manager. The Agency prepares the annual and project budgets, which must be approved by both the City Council and the Board of Supervisors. Each participant has an equity interest in the assets of the Agency in accordance with any project agreements or in the percentages as agreed upon by the Agency which percentages shall be reviewed and approved in connection with the project and annual budgets of the Agency. As of June 30, 2008, the County's equity interest in the Agency was $13,932,027 and is reported as Investments-joint ventures in the government-wide statement of new assets.

The County was the Agency's fiscal administrator during the construction phase of the City-County Administration Center, finalized at the end of June 2003. Since then, the City has been the fiscal administrator. Financial statements of the Agency will be available from the City after the initial audit of the Agency's books has been completed.

Note 16: **Joint Ventures** (continued)

The California County Tobacco Securitization Agency

In November 1998, the attorneys general of 46 states (including California) and various other public entities (collectively, the "Settling States") and the four largest United States tobacco manufacturers entered into a master settlement agreement (MSA) in resolution of cigarette smoking-related litigation. The MSA effectively releases the manufacturers from past, present and future smoking related claims in exchange for, among other things, certain payments to be made to the Settling States.

On August 5, 1998 the counsel for the State of California and various jurisdictions therein ("participating jurisdictions") entered into a memorandum of understanding (MOU), made to the State of California in accordance to the MSA. However, the payments under the MSA are subject to numerous adjustments and potential delays.

On November 15, 2000, the County entered into a Joint Powers Agreement (the "Agreement") with the County of Merced, County of Sonoma, and the County of Kern thereby creating the California County Tobacco Securitization Agency (the "Agency"). The Agency then added the County of Marin, County of Placer, the County of Fresno, and the County of Alameda. The Agency is governed by a Commission, which is comprised of two designees of the Board of Supervisors of each member.

The purpose of the Agreement is to provide for the exercise of powers common to each member, including, but not limited to, the power to insure, hedge or otherwise manage the risks associated with the receipt of the MSA payments. In furtherance of it's purpose, the Agency has been empowered to issue Bonds secured by the MSA payments of one or more members, the proceeds of which will be used directly or indirectly to purchase all or a portion of the rights to the MSA payments from a member or members.

On March 1, 2002, the Stanislaus County Tobacco Funding Corporation, a component unit of the County, entered into an agreement with the Agency for the purpose of issuing bonds in the principal amount of $67,305,000 to acquire the County's rights to receive the MSA payments when and as such funds are available. The County agreed to sell its rights, title and interest of the money due under the MSA and the MOU for $52,403,206.

On March 1, 2006 the Stanislaus County Tobacco Funding Corporation entered into a subordinate secured loan agreement with the Agency to borrow the proceeds of the $42,153,611 agency 2006 bond issue. The proceeds were used to pay the issuance costs of the bond and the remainder placed in the residual trust established for the benefit of the County in connection with the sale of County tobacco assets mentioned above. The County received $40,971,290.

The financial statements of the Agency are produced annually and are available from the County of Merced, Lydia Beiswanger, Chief Clerk-Board of Supervisors, 2222 M Street, Merced, CA 95340.

Note 16: **Joint Ventures** (continued)

Consolidated Emergency Dispatch Agency

The Modesto/Stanislaus Consolidated Emergency Dispatch Agency (the "Agency") was created on September 1, 1999, pursuant to a joint exercise of powers agreement between the City of Modesto (the "City") and the County of Stanislaus (the "County"). The Agency is administered by a seven-member commission consisting of one member of the Modesto City Council, one member of the County's Board of Supervisors, the County Chief Executive Officer, the Modesto City Manager, two members from the Dispatch Advisory Board, and one member from the City of Ceres' City Council. The purpose of the Agency is to consolidate the public safety communications system. The responsibilities of the County and the City include approval: of the annual budget, claims, liabilities, and the use of Agency property as collateral. Each participant will contribute sufficient funds to pay for all costs and expenses associated with providing Emergency Dispatch Services. Upon termination of the agreement, assets will be distributed equally to the City and County, unless otherwise approved. The financial statements may be obtained by writing to the Modesto/Stanislaus Consolidated Emergency Dispatch, Office Manager, 3705 Oakdale Road, Modesto, California, 95357.

Regional Fire Training Center

On July 1, 1992 the County, Yosemite Community College District (YCCD), and the city of Modesto (City) entered into a 20 year agreement for the joint use and management of the regional fire training center (Center) at Modesto Junior College (MJC). The Center's executive board is made up of the Chancellor of YCCD, the President of MJC, the City Manager and the Chief Executive Officer of the County. The Center was initially constructed using funds borrowed by YCCD with the City and County reimbursing a portion of these costs over 20 years. The buildings, grounds and equipment belong to YCCD. All three entities share in the Center's operating costs with YCCD responsible for the accounting and monitoring of the Center's budget. For fiscal year ending June 30, 2008, the County paid $47,845 to YCCD under this agreement.

California Statewide Automated Welfare System Consortium IV

The California Statewide Automated Welfare System Consortium IV (Authority) was formed in December of 1998, pursuant to a joint exercise of powers agreement between the Counties of San Bernardino, Riverside, Merced and Stanislaus. The Authority was created for the purpose of the design, development, implementation, and on-going operation and maintenance of a system that automates the eligibility and case management functions of various welfare programs.

On January 9, 2007, the Board of Supervisors approved the Amendment 1 of the Joint Powers Agreement to add thirty-five (35) counties to the current C-IV Joint Powers Authority (JPA). The benefits of adding these counties creates opportunities to expand and improve the current C-IV system along with lowering each counties share of costs.

Note 16: **Joint Ventures** (continued)

California Statewide Automated Welfare System Consortium IV (continued)

The Authority was originally governed and administered by a Board of Directors consisting of four (4) Directors. The Directors are the Merced County Director of the Human Services Agency, the Riverside County Director of the Department of Public Social Services, the San Bernardino County Assistant County Administrator for Social Services, and the Stanislaus County Director of the Community Services Agency. With the addition of 35 counties three (3) new directors will be added.

Stanislaus County's C-IV costs for Fiscal Year 2007-2008 were $295,997. Financial Statements may be obtained by writing to the County of San Bernardino, County Administrative Officer, 385 North Arrowhead Avenue 5th Floor, San Bernardino, CA 92415.

North County Corridor Transportation Expressway Authority

On April 1, 2008, the Board of Supervisors approved the establishment of a Joint Powers Authority (Authority) between the County and the cities of Modesto, Oakdale and Riverbank to create the North County Corridor Transportation Expressway. The purpose of the Authority is to develop alternatives to improve east/west traffic circulation in the County. The intent of the North County Corridor Transportation Expressway is to provide a high capacity high speed east-west roadway to accommodate anticipated traffic growth, alleviate traffic on parallel roads, and to accommodate multi-modal travel. Under the terms of the agreement, the County will incur 40% of the costs of the project while each of the participating cities will be contributing 20%. The County's share of project costs will be funded by State Transportation Program and Public Facility Fees. The exact cost of the project will not be known until after the completion of the Project Study Report. The Authority Board of Directors will be comprised of two directors appointed by the County, and one director from each participating city. The board acts autonomously from the respective member agencies. The County of Stanislaus Public Works Director is designated as the Authority's manager. Upon completion of the agreement, all assets will be distributed to the respective parties of the agreement as determined by the Board of the Authority. Financial statements, when available, may be obtained from the Stanislaus County Public Works Department 1010 10th Street, Suite 3500, Modesto, CA 95354.

Note 17: **Employees' Retirement Plan**

The County is a major participant in the Stanislaus County Employees Retirement Association (StanCERA), a retirement system organized under the 1937 Retirement Act. StanCERA is a cost-sharing multiple-employer Public Employee Retirement System (PERS). StanCERA provides retirement and disability benefits, annual cost-of-living adjustments, death benefits and health and welfare insurance for certain retirees and their dependents. The plan is administered by the Stanislaus County Employees Retirement Association. One actuarial valuation is performed for the system as a whole

Note 17: **Employees' Retirement Plan** (continued)

and the contribution rate is determined for each participating entity. The participating entities are the County, City of Ceres, and six special districts located in the County that are not governed by the County's Board of Supervisors. StanCERA issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for StanCERA. The CAFR may be obtained by writing to Stanislaus County Employees' Retirement Association, P O Box 3150, Modesto, CA 95353-3150 or by calling (209) 525-6393.

The StanCERA CAFR is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported sales price at current exchange rates. No investment in any single asset represents more than 5% of the net assets available for pension benefits.

StanCERA has five tiers of retirement benefits, all or some of which are offered to General and Safety members, respectively. The benefits known as Tier 1, Tier 2, Tier 4, and Tier 5 vest after five years of credited service, while the benefit known as Tier 3 vests after ten years of credited service. Vested General members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age fifty or older with ten or more years of qualifying service or at any age with thirty or more years of qualifying service. Vested Safety members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age fifty or older with ten years of qualifying service or at any age with twenty or more years of service. All Tier 3 members may retire at age fifty-five with ten or more years of qualifying service.

For members with Tier 1, Tier 4 or Tier 5 benefits, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings. For members with Tier 2 or Tier 3 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings.

The retirement benefit for Tier 1, Tier 2, Tier 4 and Tier 5 members includes a post-retirement cost-of-living (COL) adjustment based upon the Consumer Price Index. COL increases/decreases are limited to a maximum of 3% annually. Total COL decrease(s) cannot exceed the cumulative amount of previous COL increase(s). Tier 1, Tier 2, Tier 4 and Tier 5 provide death and disability benefits.

Those members participating in Tier 1, Tier 2, Tier 4 and Tier 5 are required by statute to contribute to the pension plan. Members' contribution rates are formulated on the basis of the age at date of entry and the actuarially calculated future benefits. The County is required by statute to contribute the remaining amounts necessary to finance the estimated

Note 17: **Employees' Retirement Plan** (continued)

benefits accrued to its members. Contribution rates vary from 3.94% to 17.32% of covered payroll for the County and from 2.09% to 16.21% of covered payroll for employees.

Benefits and contribution provisions are established by state law subject to amendment only by a legislative act of the State of California. Alternative benefit and contribution schedules are permissive with approval of the Board of Supervisors.

In addition to providing pension benefits, StanCERA provides a subsidy allowance for retirees. Substantially all of the active members may become eligible for this benefit if they reach normal retirement age. For the year ending June 30, 2008, 2,461 retirees received this stipend, for a total of $7,240,000. StanCERA sponsored retiree subsidy allowance is not vested and may be discontinued with 90 days notice. Retiree subsidy allowance benefits are funded from excess earnings of the retirement association. As of June 30, 2008, the excess earnings set aside in the net assets held in trust for pension benefits of the Employees' Retirement Trust for funding retiree subsidy allowance amounted to $157,851,376.

StanCERA also provides a death benefit of $5,000 paid to the beneficiary or estate if a member dies after retirement, provided that Stanislaus County was the members' last public employer.

The County's contribution to StanCERA for the years ending June 30, 2006, 2007 and 2008 were $21,879,389, $27,504,938 and $19,485,137 respectively, equal to the required contributions for each year. The 2007 County contribution includes a one time payment for the Ventura-Francis class action lawsuit settlement. The County does not contribute towards post-employment benefits other than retirement.

Schedule of Funding Progress

Stanislaus County Employees' Retirement Association (StanCERA)
Schedule of Funding Progress
For the Three Years Ending June 30, 2006
(Dollar amounts in thousands)

Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age *	Unfunded AAL (UAAL)	Funded Ratio *	Covered Payroll	(UAAL) as a Percentage of Covered Payroll
6/30/2004	993,180	1,035,345	42,165	95.90%	199,963	21.10%
6/30/2005	1,049,691	1,116,310	66,619	94.00%	211,681	31.50%
6/30/2006	1,154,048	1,194,904	40,856	96.60%	219,768	18.60%

* Excludes "Other Designated Reserves" and the liabilities associated with these reserves

Note 17: **Employees' Retirement Plan** (continued)

Schedule of Funding Progress (continued)

Expressing StanCERA's benefits pension plan (the Plan) net assets as a percentage of the actuarial accrued liability (AAL) provides one indication of StanCERA's funding status on a going-concern basis. Analysis of this percentage over time will indicate whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan. As of the most current actuarial valuation completed for year ending June 30, 2006 this percentage was 96.60%. Trends in the unfunded actuarial accrued liability (UAAL) and annual covered payroll are both affected by inflation. Expressing the UAAL , as a percentage of annual covered payroll approximately adjusted for the effects of inflation, will also aid analysis of the Plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan. As of June 30, 2006 this percentage was 18.60%.

Note 18: **Other Post Employment Benefits (OPEB)**

Plan Description

Stanislaus County is a participant in the Stanislaus County Employees Retirement Association (StanCERA), a cost-sharing multiple-employer defined benefit public employee retirement system. StanCERA provides retirement benefits only. However, County retirees and active County employees are rated in the same pool to determine health insurance premiums. This ability for retirees to obtain coverage at active employee rates results in an economic benefit or implicit subsidy even though the retirees pay their entire premiums (substantive plan).

Funding Policy

The County makes no direct contributions to the StanCERA to fund the OPEB plan. The implicit subsidy is financed on a pay-as-you-go basis. The County does not intend to adopt a policy to pre-fund the implicit subsidy to retirees.

For fiscal year ended June 30, 2008 the County's annual OPEB cost (expense) of $4,037,106 was equal to the annual required contribution (ARC). The net OPEB obligation for 2008 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	$ 4,037,106	56.7%	$ 1,749,416

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Note 18: **Other Post Employment Benefits (OPEB)** (continued)

Funding Policy (continued)

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The funded status of the plan as of June 30, 2008 was as follows:

Actuarial Valuation Date	Actuarial Value of Asssets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2006	$0	$ 35,858,072	$35,858,072	0%	$215,818,211	16.6%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's first actuarial valuation was performed as of July 1, 2006. In that valuation, the Projected Unit Credit Cost Method was used. The actuarial assumptions included a 6.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent after 5 years. Both rates reflect an implicit 3.0 percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a rolling basis. The remaining amortization period as of June 30, 2007 was 30 years.

Note 19: **Subsequent Events**

On July 29, 2008, the County Board of Supervisors declared a County-owned building, known as the Medical Arts Building, as surplus property. The Board resolution also declared the County's intent to sell the facility and property. The Medical Arts Building was bought and used by the Health Clinics and Ancillary Services fund, but as part of the re-design of the County's health clinic system, the building is no longer needed. The minimum sale price was set at $2.5 million. The carrying value of the building at June 30, 2008 was a little more than $1 million.

Note 19: **Subsequent Events** (continued)

On September 9, 2008, the County Board of Supervisors approved a change in methodology to determine the funding level of the required Tax Loss Reserve Fund. The purpose of this fund is to cover losses that may occur in the amount of tax liens recoverable from the sale of tax-defaulted property. The new funding level will be set to 1% of the secured taxes and assessments for the fiscal year. This will make available for budgeting approximately $6.5 million of fund balance in the General Fund.

The Stanislaus Waste-to-Energy Financing Agency (Agency) partially redeemed the Stanislaus Series 2000 bonds in the amount of $18,355,000 (See Note 16). Effective October 1, 2008, the outstanding amount on those bonds is $2,900,000. The Agency plans to redeem the remaining balance of the bonds in December 2008.

At June 30, 2008, the County had investments with American International Group, Inc (AIG), one of its subsidiaries, and Municipal Bond Insurance Association, Inc. (MBIA). The following schedule displays Stanislaus County's investment portfolio and bond requirement exposure due to recent market events surrounding these enterprises.

Investment Portfolio Exposure Summary
For Fiscal Year Ended June 30, 2008
Book and Market Values as of 11/3/2008:

	Stanislaus County Treasurer's Pool	Investments with Fiscal Agent
Issuer:	International Lease Finance*	American International Group, Inc
Investment Type:	Medium Term Note	Guaranteed Investment Contract
Purchased:	4/1/2004	7/8/1998
Due to mature:	4/1/2009	8/29/2018
Book Value:	$ 5,001,111	$ 1,792,300
Market Value:	$ 4,495,950	$ 1,792,300
Issuer:		MBIA
Investment Type:		Guaranteed Investment Contract
Purchased:		5/14/2004
Due to mature:		9/1/2025
Book Value:		$ 3,144,930
Market Value:		$ 3,144,930

* International Lease Finance is a subsidiary of AIG.

It is unclear at this time what Stanislaus County's total loss, if any, from these exposures will be until the market works through the current crisis.

Required Supplementary Information

Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2008

Stanislaus County Employees' Retirement Association
Schedule of Funding Progress
For the Six Years Ending June 30, 2006
(Dollar amounts in thousands)

Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age *	Unfunded AAL (UAAL)	Funded Ratio *	Covered Payroll	(UAAL) as a Percentage of Covered Payroll
6/30/2001	784,114	781,495	(2,619)	100.03%	174,595	-1.50%
6/30/2002	878,821	870,768	(8,053)	100.09%	196,471	-4.10%
6/30/2003	937,797	958,095	20,298	97.90%	197,664	10.30%
6/30/2004	993,180	1,035,345	42,165	95.90%	199,963	21.10%
6/30/2005	1,049,691	1,116,310	66,619	94.00%	211,681	31.50%
6/30/2006	1,154,048	1,194,904	40,856	96.60%	219,768	18.60%

* Excludes "Other Designated Reserves" and the liabilities associated with these reserves

Stanislaus County Employees Other Postemployment Benefits (OPEB) Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Asssets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2006	$0	$ 35,858,072	$35,858,072	0%	$215,818,211	16.6%

Source: Demsey, Filliger & Associates, LLC "County of Stanislaus Actuarial Valuation as of July 1, 2006 For the County's Retiree Health Benefits Agreement with StanCERA"

Notes to the Required Supplementary Information

The schedule for StanCERA, a cost-sharing, multiple employer retirement system, relates to the association as a whole. The County represents approximately 90% of StanCERA's covered payroll.

The OPEB schedule presented relates solely to the County.

Because this is the first year of implementation of Government Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension," there is no historical information.

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Capital Projects Fund

Redevelopment Agency

The Redevelopment Agency Fund was established so the County can use redevelopment tax increment financing as a tool to initiate capital public project, property rehabilitation and private development.

Capital Projects

The Capital Projects funds were established to account for financial resources for the acquisition or construction of major capital facilities. Among the major projects is a downtown project that includes the construction of a parking garage and office structure and the construction of the Center for the Arts.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds include:

Capital Improvement Financing Authority

The Capital Improvement Financing Authority is used to accumulate resources for payment of principal and interest incurred by the sale of Certificate of Participation issued to finance various capital projects.

Pension Obligation Bonds

This fund is used to accumulate resources for the payment of principal and interest of taxable bonds issued to pay the Employees Retirement Association the County's unfunded actuarial accrued liability.

Stanislaus County Tobacco Funding Corporation

This fund is used to account for the receipt and disbursement of tobacco securitization revenues from the State.

County of Stanislaus
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Special Revenue Funds	Capital Projects Funds: Redevelopment Agency	Capital Projects Funds: Capital Projects	Debt Service Funds: Capital Improvement Finance Authority	Debt Service Funds: Pension Obligation Bonds	Debt Service Funds: Stan County Tobacco Funding Corp	Totals
Assets							
Cash and investments	$ 53,366,061	$ 27,930,169	$ 11,780,413	$ 36,633	$ 760,558	$ 8,794	$ 93,882,628
Cash with fiscal agent		1,206,760	4,274,928	10,357,767	14,198	4,782,224	20,635,877
Account receivable (net of allowance for uncollectables)	17,468,944	3,533				2,731,133	20,203,610
Interest and other receivables	234,193	142,585	40,149			46	416,973
Inventory	396,403						396,403
Due from other funds	1,427,786						1,427,786
Loans to other governments		24,565					24,565
Prepaid items	18,658						18,658
Total assets	$ 72,912,045	$ 29,307,612	$ 16,095,490	$ 10,394,400	$ 774,756	$ 7,522,197	$ 137,006,500
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ 5,594,366	$ 261,121	$ 274,530	$	$ 2,114	$	$ 6,132,131
Salaries and benefits payable	3,976,024	5,470					3,981,494
Due to other funds	387,424						387,424
Due to other governments						2,731,133	2,731,133
Deferred revenue	1,958,563						1,958,563
Advances from other funds	100,000	400,000					500,000
Total Liabilities	12,016,377	666,591	274,530		2,114	2,731,133	15,690,745
Fund Balances							
Reserved for:							
Encumbrances	6,216,918	2,664,690	2,506,447				11,388,055
Loans to other governments		24,565					24,565
Other	429,437						429,437
Capital projects		1,206,760	4,274,928				5,481,688
Debt service		98,000		10,357,767	14,198	4,782,224	15,252,189
Unreserved:							
Undesignated	54,249,313	24,647,006	9,039,585	36,633	758,444	8,840	88,739,821
Total fund balances	60,895,668	28,641,021	15,820,960	10,394,400	772,642	4,791,064	121,315,755
Total liabilities and fund balances	$ 72,912,045	$ 29,307,612	$ 16,095,490	$ 10,394,400	$ 774,756	$ 7,522,197	$ 137,006,500

County of Stanislaus
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2008

		Capital Projects Funds		Debt Service Funds			
	Special Revenue Funds	Redevelopment Agency	Capital Projects	Capital Improvement Finance Authority	Pension Obligation Bonds	Stan County Tobacco Funding Corp	Totals
Revenues:							
Taxes	$ 11,043,478	$ 6,206,260	$	$	$	$	$ 17,249,738
Licenses, permits and franchises	2,265,993						2,265,993
Fines, forfeitures and penalties	1,531,603		1,473,638				3,005,241
Revenue from use of money and property	2,257,384	1,360,939	771,305	489,645	(83,329)	263,013	5,058,957
Intergovernmental revenue	82,794,579	128,179	1,825,436		550,842		85,299,036
Charges for services	29,738,981	18,131					29,757,112
Miscellaneous revenue	552,467	117,063	214,235		235,528	4,977,033	6,096,326
Total revenues	130,184,485	7,830,572	4,284,614	489,645	703,041	5,240,046	148,732,403
Expenditures:							
Current:							
General government	699,792						699,792
Public protection	45,638,838						45,638,838
Public ways and facilities	33,092,834						33,092,834
Health and sanitation	50,687,203						50,687,203
Public assistance	17,481,688						17,481,688
Education	13,654,791						13,654,791
Recreation and cultural services	10,129						10,129
Debt service							
Interest and fiscal charges		994,519		4,728,924	4,248,838	3,625,483	13,597,764
Principal		936,110		6,554,560	7,185,000	1,650,000	16,325,670
Capital outlay		1,682,222	5,294,266				6,976,488
Total expenditures	161,265,275	3,612,851	5,294,266	11,283,484	11,433,838	5,275,483	198,165,197
Revenues over (under) expenditures	(31,080,790)	4,217,721	(1,009,652)	(10,793,839)	(10,730,797)	(35,437)	(49,432,794)
Other financing sources (uses)							
Transfers in	26,099,547		3,461,299	10,682,178	10,734,149		50,977,173
Transfers out	(2,262,250)	(4,679)	(926,721)				(3,193,650)
Total other financing sources (uses)	23,837,297	(4,679)	2,534,578	10,682,178	10,734,149		47,783,523
Net changes in fund balances	(7,243,493)	4,213,042	1,524,926	(111,661)	3,352	(35,437)	(1,649,271)
Fund balances -- beginning	66,109,576	24,427,979	14,296,034	10,506,061	769,290	4,826,501	120,935,441
Prior year adjustment	2,029,585						2,029,585
Fund balances at beginning of year, as restated	68,139,161	24,427,979	14,296,034	10,506,061	769,290	4,826,501	122,965,026
Fund balances -- ending	$ 60,895,668	$ 28,641,021	$ 15,820,960	$ 10,394,400	$ 772,642	$ 4,791,064	$ 121,315,755

Nonmajor Special Revenue Funds

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Special revenue funds include:

Environmental Resources

This fund was established as a Comprehensive Environmental Department whose mandated goal was to control those factors in our physical environment, which exercise or may exercise a deleterious effect on our health and environment. Its revenues come from charges for services and federal and state sources.

Children and Families First Commission

This fund was established to create and implement a comprehensive system of services to support childhood development from the prenatal stage to five (5) years of age. Its revenues come from an increase in the tobacco tax. The tax is divided among counties based on the number of live births, annually, in each county.

Public Works – Engineering

This fund was established to provide engineering services to other division in the Public Works Department and other County departments. Revenue consists primarily of charges for services

Road and Bridge

This fund was established to provide maintenance and construction of roadways and bridges. Revenue consists primarily of the County's share of state highway users taxes and is supplemented by federal funds, vehicle code fines, and reimbursements for services provided.

Employment and Training

This fund was established to account for the Workforce Incentive Act. The County serves as the grant recipient and administrator. The federal government funds the program for the purposes of providing employment and training services to youth and adults, who are unskilled, economically disadvantaged, unemployed, or underemployed.

Child Support Services

This fund was established to account for the Department of Child Support Services, which is responsible for locating absent parents, establishing paternity, establishing child and medical support orders, collecting and distributing child support from absent parents and initiating remedial actions to collect on delinquencies. Federal and state funding are the primary source of revenues.

NONMAJOR SPECIAL REVENUE FUNDS
(Continued)

Public Authority

This fund was established to operate as the Employer of Record for In-Home Supportive Service Providers (Providers). The Public Authority negotiates with the union for wages and benefits for Providers, operates a registry and conducts background checks on Providers.

Health Services Agency

This fund was established to oversee the delivery of health care to Stanislaus County residents. It includes the Public Health and Managed Care divisions and oversees the Health Clinics and Ancillary Services (enterprise fund). The revenues for this fund are primarily intergovernmental sources and charges for services, supplemented by transfers from the General Fund.

Indigent Health Care

This fund was established to administer state and county funds for the delivery for quality medical care for indigent and medically indigent county residents. The primary funding source is the State.

Library

This fund was established to account for library services in thirteen branches throughout the county. Support is derived principally from general fund discretionary revenues and 1/8% sales tax increment beginning in July 1995.

Lighting Districts

This fund was established for lighting districts that are controlled by the Board of Supervisors. The revenue sources are property taxes and direct assessments.

All Other Special Revenue Funds

Accounts for the activities of several special revenue funds, including:

- Area Agency on Aging
- Property Tax Administration Program
- Federal & State Grants
- County Service Areas
- Storm Drain Districts
- Landscape and Lighting Districts
- County Fire Service

County of Stanislaus
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
Assets							
Cash and investments	$ 2,714,390	$ 20,782,392	$ 1,913,125	$ 6,932,134	$	$ 2,709,763	$
Account receivable (net of allowance for uncollectables)	874,413	1,571,369	86,994	2,428,590	1,387,436	46,646	1,128,174
Interest and other receivables	10,291	114,896		58,156		16,410	
Inventory				292,086			
Due from other funds	51,786						
Prepaid items							
Total assets	$ 3,650,880	$ 22,468,657	$ 2,000,119	$ 9,710,966	$ 1,387,436	$ 2,772,819	$ 1,128,174
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 311,734	$ 1,720,350	$ 30,859	$ 420,867	$ 408,456	$ 50,478	$ 1,952
Salaries and benefits payable	340,343	33,323	311,265	229,954	291,872	751,537	
Due to other funds					248,915		69,171
Deferred revenue							1,057,051
Advances from other funds							
Total Liabilities	652,077	1,753,673	342,124	650,821	949,243	802,015	1,128,174
Fund Balances							
Reserved for:							
Encumbrances	322,462	263,247	121,532	1,495,355	3,164	69,602	
Other	1,250		100	292,086		100	
Unreserved:							
Undesignated	2,675,091	20,451,737	1,536,363	7,272,704	435,029	1,901,102	
Total fund balances	2,998,803	20,714,984	1,657,995	9,060,145	438,193	1,970,804	
Total liabilities and fund balances	$ 3,650,880	$ 22,468,657	$ 2,000,119	$ 9,710,966	$ 1,387,436	$ 2,772,819	$ 1,128,174

County of Stanislaus
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2008

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
						Assets
$ 371,289	$ 5,462	$ 4,327,608	$ 98,219	$ 13,511,679	$ 53,366,061	Cash and investments
6,519,276	716,564	1,271,830		1,437,652	17,468,944	Account receivable (net of allowance for uncollectables)
7,365	2,545		512	24,018	234,193	Interest and other receivables
104,317					396,403	Inventory
823,646	552,354				1,427,786	Due from other funds
18,658					18,658	Prepaid items
$ 7,844,551	$ 1,276,925	$ 5,599,438	$ 98,731	$ 14,973,349	$ 72,912,045	Total assets
						Liabilities and Fund Balances
						Liabilities
$ 575,336	$ 991,809	$ 115,944	$ 10,971	$ 955,610	$ 5,594,366	Accounts payable
1,167,308	114,849	380,636		354,937	3,976,024	Salaries and benefits payable
	69,338				387,424	Due to other funds
826,382				75,130	1,958,563	Deferred revenue
				100,000	100,000	Advances from other funds
2,569,026	1,175,996	496,580	10,971	1,485,677	12,016,377	Total Liabilities
						Fund Balances
						Reserved for:
154,635	7,867	142,125		3,636,929	6,216,918	Encumbrances
133,876	50	1,275		700	429,437	Other
						Unreserved
4,987,014	93,012	4,959,458	87,760	9,850,043	54,249,313	Undesignated
5,275,525	100,929	5,102,858	87,760	13,487,672	60,895,668	Total fund balances
$ 7,844,551	$ 1,276,925	$ 5,599,438	$ 98,731	$ 14,973,349	$ 72,912,045	Total liabilities and fund balances

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the fiscal year ended June 30, 2008

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
Revenues:							
Taxes	$	$	$	$ 1,198,255	$	$	$
Licenses, permits and franchises			2,028,189	118,689			
Fines, forfeitures and penalties	84,465						
Revenue from use of money and property	67,759	1,118,140		554,604		187,618	
Intergovernmental revenue	938,510	7,806,145	9,336	15,629,073	8,787,961	16,539,628	3,431,479
Charges for services	6,432,707		4,898,538	102,142	2,294,240	155	
Miscellaneous revenue	103,958		2,050		15,588	10,074	
Total revenues	7,627,399	8,924,285	6,938,113	17,602,763	11,097,789	16,737,475	3,431,479
Expenditures:							
General		673,917					
Public protection	8,474,256		3,032,260			18,154,397	
Public ways and facilities			5,142,720	27,950,114			
Health and sanitation		6,843,330					
Public assistance					10,557,796		4,172,513
Education		2,114,659					
Recreation and cultural services							
Total expenditures	8,474,256	9,631,906	8,174,980	27,950,114	10,557,796	18,154,397	4,172,513
Revenues over (under) expenditures	(846,857)	(707,621)	(1,236,867)	(10,347,351)	539,993	(1,416,922)	(741,034)
Other financing sources (uses):							
Transfers in	1,434,952		659,840	5,437,963			741,034
Transfers out	(152,966)	(14,663)	(162,562)	(98,661)	(139,552)	(355,128)	
Total other financing sources (uses)	1,281,986	(14,663)	497,278	5,339,302	(139,552)	(355,128)	741,034
Net change in fund balance	435,129	(722,284)	(739,589)	(5,008,049)	400,441	(1,772,050)	
Fund balances -- beginning	2,563,674	21,437,268	2,397,584	14,068,194	37,752	1,713,269	
Prior period adjustment						2,029,585	
Fund balances -- ending	$ 2,998,803	$ 20,714,984	$ 1,657,995	$ 9,060,145	$ 438,193	$ 1,970,804	$

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the fiscal year ended June 30, 2008

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
						Revenues:
$	$	$ 8,405,394	$ 64,536	$ 1,375,293	$ 11,043,478	Taxes
8,735				110,380	2,265,993	Licenses, permits and franchises
140,101	820,088			486,949	1,531,603	Fines, forfeitures and penalties
77,060	27,162		4,693	220,348	2,257,384	Revenue from use of money and property
13,203,602	3,239,260	366,613	673	12,842,299	82,794,579	Intergovernmental revenue
11,512,277	1,056,435	394,672	144,044	2,903,771	29,738,981	Charges for services
215,172	322	186,155	2,138	17,010	552,467	Miscellaneous revenue
25,156,947	5,143,267	9,352,834	216,084	17,956,050	130,184,485	Total revenues
						Expenditures:
				25,875	699,792	General
			252,100	15,725,825	45,638,838	Public protection
					33,092,834	Public ways and facilities
27,911,109	15,932,764				50,687,203	Health and sanitation
				2,751,379	17,481,688	Public assistance
		11,534,777		5,355	13,654,791	Education
				10,129	10,129	Recreation and cultural services
27,911,109	15,932,764	11,534,777	252,100	18,518,563	161,265,275	Total expenditures
(2,754,162)	(10,789,497)	(2,181,943)	(36,016)	(562,513)	(31,080,790)	Revenues over (under) expenditures
						Other financing sources (uses):
4,464,208	10,826,787	1,155,733		1,379,030	26,099,547	Transfers in
(765,537)	(53,692)	(144,157)		(375,332)	(2,262,250)	Transfers out
3,698,671	10,773,095	1,011,576		1,003,698	23,837,297	Total other financing sources (uses)
944,509	(16,402)	(1,170,367)	(36,016)	441,185	(7,243,493)	Net change in fund balance
4,331,016	117,331	6,273,225	123,776	13,046,487	66,109,576	Fund balances -- beginning
					2,029,585	Prior period adjustment
$ 5,275,525	$ 100,929	$ 5,102,858	$ 87,760	$ 13,487,672	$ 60,895,668	Fund balances -- ending

Nonmajor Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are established to account for the financing of self-supporting activities of governmental units, which render services on a user-charge basis to the general public.

County Transit System

This fund was established to account for the operation of a transit system within the county which performs intra-city transit service, medical transportation, and Senior Opportunity Services Program's nutrition deliveries. Revenues are generated from state grants and fees to transit users.

Stanislaus Behavioral Health Center

This fund was established to account for the operations of the Stanislaus Behavioral Health Center, which provides mental health and chemical dependency inpatient and outpatient services to public and private clients.

Inmate Welfare/Commissary

This fund was established to account for the activity of the Jail Commissary and the use of revenue generated from the sale of goods for the benefit of inmates.

County of Stanislaus
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2008

	County Transit System	Stanislaus Behavioral Health Center	Inmate Welfare/ Commissary	Total
ASSETS:				
Current Assets:				
Cash and investments	$ 2,561,745	$ 2,306,430	$ 1,203,366	$ 6,071,541
Accounts receivable, net	306,082		90,915	396,997
Interest and other receivables	13,749	21,990	6,375	42,114
Inventory			20,375	20,375
Total current assets	2,881,576	2,328,420	1,321,031	6,531,027
Noncurrent assets:				
Building and improvements			216,731	216,731
Equipment	3,622,095		199,736	3,821,831
Less: Accumulated depreciation	(1,217,112)		(147,734)	(1,364,846)
Total noncurrent assets	2,404,983		268,733	2,673,716
Total assets	5,286,559	2,328,420	1,589,764	9,204,743
LIABILITIES:				
Current liabilities:				
Accounts payable	269,870	2,531	99,762	372,163
Salaries and benefits payable	18,008		30,034	48,042
Current portion of capital lease			5,394	5,394
Total current liabilities	287,878	2,531	135,190	425,599
Noncurrent liabilities				
Estimated cost of closure/postclosure				
Liability for compensated absences	43,280			43,280
Other post-empolyment benefits (OPEB)	3,940			3,940
Capital lease payable			19,376	19,376
Total noncurrent liabilities	47,220		19,376	66,596
Total liabilities	335,098	2,531	154,566	492,195
NET ASSETS:				
Invested in capital assets, net of related debt	2,404,983		243,963	2,648,946
Restricted				
Unrestricted	2,546,478	2,325,889	1,191,235	6,063,602
Total net assets	$ 4,951,461	$ 2,325,889	$ 1,435,198	$ 8,712,548

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2008

	County Transit System	Stanislaus Behavioral Health Center	Inmate Welfare/ Commissary	Total
Operating revenues:				
Charges for services	$ 287,648	$ 2,747,730	$ 1,576,214	$ 4,611,592
Total operating revenues	287,648	2,747,730	1,576,214	4,611,592
Operating expenses:				
Salaries and benefits	319,260	2,039,166	466,819	2,825,245
Services and supplies	2,570,331	1,301,863	1,064,330	4,936,524
Depreciation	243,927	62,442	24,260	330,629
Total operating expenses	3,133,518	3,403,471	1,555,409	8,092,398
Operating income (loss)	(2,845,870)	(655,741)	20,805	(3,480,806)
Nonoperating revenues (expenses)				
Investment income	117,351	75,686	63,989	257,026
Gain (Loss) on sale of fixed assets	(5,272)	5,825,373		5,820,101
Intergovernmental	3,335,163			3,335,163
Total nonoperating revenues (expenses)	3,447,242	5,901,059	63,989	9,412,290
Income before contributions and transfers	601,372	5,245,318	84,794	5,931,484
Transfers in		364,048		364,048
Transfers out	(8,332)	(4,563,923)	(15,295)	(4,587,550)
Change in net assets	593,040	1,045,443	69,499	1,707,982
Total net assets - beginning	4,358,421	1,280,446	1,365,699	7,004,566
Total net assets - ending	$ 4,951,461	$ 2,325,889	$ 1,435,198	$ 8,712,548

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal service funds were established to finance and account for the services and commodities furnished by a designated agency of a governmental unit to other departments of the same governmental unit. Since the services and commodities are supplied exclusively to other departments of a governmental jurisdiction, they are distinguishable from the public services which are rendered to the public in general and which are accounted for in General, special revenue, or enterprise funds.

General Liability Insurance

This fund is a risk management fund which was established to account for administrative cost, insurance premiums and the cost of claims for the County's property damage, general liability, auto liability, fiduciary, bonds, dishonesty, and legal defense. Revenues are generated by premiums paid by other funds and interest on investments.

Unemployment Insurance

This fund is a risk management fund which accounts for administrative cost and cost for the County's unemployment claims. Revenues are generated by premiums paid by other funds and interest on investments.

Workers' Compensation Insurance

This fund is a risk management fund which accounts for administrative cost, loss control and cost of Workers' Compensation claims and benefits. Revenues are generated by premiums paid by other funds and interest on investments.

Purchased Insurance

This fund accounts for insurance purchased from outside vendors for health and life insurance. Revenues are generated by premiums paid by other funds.

Dental Insurance

This fund is a risk management fund to account for administrative cost and the cost for the County's employee dental claims. Revenues are generated by premiums paid by other funds and interest on investments.

Vision Care Insurance

This fund is a risk management fund to account for administrative cost and the cost for the County's employee vision care claims. Revenues are generated by premiums paid by other funds and interest on investments.

Professional Liability Insurance

This fund is a risk management fund to account for the purchase of insurance and the cost of claims for medical malpractice cases, administrative costs and legal defense. Revenues are generated by premiums paid predominantly by the Health Services Agency Clinics and Ancillary Services Enterprise Fund, and interest on investments.

INTERNAL SERVICE FUNDS
(Continued)

Central Services

This fund was established to account for the cost of issuing supplies and food items, printing, duplication, postage, mail room service, and messenger service. Revenues are generated based on billings for services provided.

Fleet Services

This fund was established to account for the cost of maintaining all County-owned automobiles, trucks, and heavy equipment for County departments. Revenues are based on fee charges for services provided.

Technology and Communications

This fund was established to account for the costs of providing information services, computer processing and communication services. Revenues are based on billings to customers for services provided.

Morgan Shop Garage

This fund was established to account for the cost of maintaining Public Works light and heavy equipment. Revenues are based on fee charges for services provided.

County of Stanislaus
Combining Statement of Net Assets
Internal Service Funds
June 30, 2008

	Self Insurance funds					
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Purchased Insurance	Dental Insurance	Vision Care Insurance
ASSETS:						
Cash and investments	$ 4,481,333	$ 2,283,614	$ 25,624,341	$	$ 1,861,524	$ 580,938
Accounts receivable, net			1,168		588	
Interest and other receivables	22,719	12,159	132,399		8,560	2,706
Inventory						
Deposit with others			500,000		25,000	46,730
Total current assets	4,504,052	2,295,773	26,257,908		1,895,672	630,374
Capital assets:						
Structures and improvements						
Equipment	23,693		29,535			
Less: Accumulated depreciation	(23,693)		(29,535)			
Net capital assets						
Total assets	4,504,052	2,295,773	26,257,908		1,895,672	630,374
LIABILITIES:						
Current liabilities						
Accounts payable	182,911	810	204,777	1,432	177,259	82,314
Salaries and benefits payable						
Due to other funds				48,511		
Risk management liability-current	1,461,056	550,912	5,069,265		551,260	100,941
Compensated absences - current						
Total current liabilities	1,643,967	551,722	5,274,042	49,943	728,519	183,255
Noncurrent liabilities						
Risk management liability	530,944	261,309	14,877,735			
Compensated absences						
Other post-employment benefits						
Total noncurrent liabilities	530,944	261,309	14,877,735			
Total liabilities	2,174,911	813,031	20,151,777	49,943	728,519	183,255
NET ASSETS (DEFICIT) :						
Invested in capital assets, net of related debt						
Unrestricted	2,329,140	1,482,742	6,106,131	(49,943)	1,167,153	447,119
Total net assets (deficit)	$ 2,329,140	$ 1,482,742	$ 6,106,131	$ (49,943)	$ 1,167,153	$ 447,119

County of Stanislaus
Combining Statement of Net Assets (Continued)
Internal Service Funds
June 30, 2008

Self Insurance funds: Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Total	
						ASSETS:
$ 1,715,496	$ 219,103	$ 184,209	$ 2,642,829	$ 739,317	$ 40,332,704	Cash and investments
	10,207	161	1,755	30,516	44,395	Accounts receivable, net
8,329					186,872	Interest and other receivables
	63,034	82,069		82,513	227,616	Inventory
					571,730	Deposit with others
1,723,825	292,344	266,439	2,644,584	852,346	41,363,317	Total current assets
						Capital assets
	11,735	990,773			1,002,508	Structures and improvements
	213,189	7,970,016	4,638,599	9,518,806	22,393,838	Equipment
	(177,565)	(6,083,372)	(4,167,437)	(5,881,335)	(16,362,937)	Less: Accumulated depreciation
	47,359	2,877,417	471,162	3,637,471	7,033,409	Net capital assets
1,723,825	339,703	3,143,856	3,115,746	$ 4,489,817	48,396,726	Total assets
						LIABILITIES:
						Current liabilities
23,550	68,806	209,931	354,200	$ 110,033	1,416,023	Accounts payable
	30,647	41,234	154,356	32,960	259,197	Salaries and benefits payable
					48,511	Due to other funds
284,000					8,017,434	Risk management liability-current
	7,232	11,610	60,268	8,586	87,696	Compensated absences - current
307,550	106,685	262,775	568,824	151,579	9,828,861	Total current liabilities
						Noncurrent liabilities
					15,669,988	Risk management liability
	56,483	90,663	250,062	67,867	465,075	Compensated absences
	13,950	10,850	28,450	8,080	61,330	Other post-employment benefits
	70,433	101,513	278,512	75,947	16,196,393	Total noncurrent liabilities
307,550	177,118	364,288	847,336	227,526	26,025,254	Total liabilities
						NET ASSETS (DEFICIT):
						Invested in capital assets,
	47,359	2,877,417	471,162	3,637,471	7,033,409	net of related debt
1,416,275	115,226	(97,849)	1,797,249	624,820	15,338,063	Unrestricted
$ 1,416,275	$ 162,585	$ 2,779,568	$ 2,268,411	4,262,291	$ 22,371,472	Total net assets (deficit)

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the fiscal year ended June 30, 2008

	Self Insurance funds					
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Purchased Insurance	Dental Insurance	Vision Care Insurance
Operating revenues:						
Charges for services	$ 3,023,819	$ 575,715	$ 7,177,391	$ 42,499,109	$ 4,356,761	$ 1,014,510
Total operating revenues	3,023,819	575,715	7,177,391	42,499,109	4,356,761	1,014,510
Operating expenses:						
Salaries and benefits						
Services and supplies	2,132,667	772,387	5,829,591	42,457,506	4,514,041	957,491
Depreciation						
Total operating expenses	2,132,667	772,387	5,829,591	42,457,506	4,514,041	957,491
Operating income (loss)	891,152	(196,672)	1,347,800	41,603	(157,280)	57,019
Nonoperating revenues (expenses):						
Interest income	197,029	120,373	1,272,840		90,601	26,635
Intergovernmental						
Gain (loss) on sale of capital assets						
Total nonoperating revenues (expenses), net	197,029	120,373	1,272,840		90,601	26,635
Income (loss) before contributions and transfers	1,088,181	(76,299)	2,620,640	41,603	(66,679)	83,654
Capital contribution						
Transfers in						
Transfers out	(155,461)					
Changes in net assets	932,720	(76,299)	2,620,640	41,603	(66,679)	83,654
Total net assets (deficit) - beginning	1,396,420	1,559,041	3,485,491	(91,546)	1,233,832	363,465
Total net assets (deficit) - ending	$ 2,329,140	$ 1,482,742	$ 6,106,131	$ (49,943)	$ 1,167,153	$ 447,119

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Continued)
Internal Service Funds
For the fiscal year ended June 30, 2008

Self Insurance funds: Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Total	
						Operating revenues
$ 1,408,225	$ 1,000,416	$ 3,197,685	$ 6,823,657	$ 3,239,576	$ 74,316,864	Charges for services
1,408,225	1,000,416	3,197,685	6,823,657	3,239,576	74,316,864	Total operating revenues
						Operating expenses:
	729,472	791,394	2,813,578	655,798	4,990,242	Salaries and benefits
954,372	415,484	1,908,795	2,769,702	1,810,361	64,522,397	Services and supplies
	9,380	756,413	183,663	764,588	1,714,044	Depreciation
954,372	1,154,336	3,456,602	5,766,943	3,230,747	71,226,683	Total operating expenses
453,853	(153,920)	(258,917)	1,056,714	8,829	3,090,181	Operating income (loss)
						Nonoperating revenues (expenses):
78,256					1,785,734	Interest income
		2,222		695,679	697,901	Intergovernmental
		51,105		(8,917)	42,188	Gain (loss) on sale of capital assets
78,256		53,327		686,762	2,525,823	Total nonoperating revenues (expenses), net
532,109	(153,920)	(205,590)	1,056,714	695,591	5,616,004	Income (loss) before contributions and transfers
		147,042	49,249		196,291	Capital contribution
	676	88,120		38,324	127,120	Transfers in
(1,041,547)	(16,670)	(161,066)	(69,955)	(14,972)	(1,459,671)	Transfers out
(509,438)	(169,914)	(131,494)	1,036,008	718,943	4,479,744	Changes in net assets
1,925,713	332,499	2,911,062	1,232,403	3,543,348	17,891,728	Total net assets (deficit) - beginning
$ 1,416,275	$ 162,585	$ 2,779,568	$ 2,268,411	$ 4,262,291	$ 22,371,472	Total net assets (deficit) - ending

Statistical Information

County of Stanislaus
Net Assets by Component
(accrual basis of accounting)
Last Seven Fiscal Years

	Fiscal Year						
	2002 as restated	2003 as restated	2004	2005 as restated	2006 as restated	2007	2008
Governmental activities							
Invested in capital assets, net of related debt	$ 502,867,315	$ 496,673,006	$ 495,467,522	$ 486,725,321	$ 468,897,825	$ 464,402,025	$ 435,204,374
Restricted	170,994,690	171,348,552	111,663,081	127,009,622	152,249,240	163,255,952	193,992,595
Restricted by enabling legislation				20,529	126,604		
Unrestricted (deficit)	(30,001,296)	(70,833,738)	(22,784,867)	10,909,303	36,961,726	64,162,858	72,110,910
Total governmental activities net assets	$ 643,860,709	$ 597,187,820	$ 584,345,736	$ 624,664,775	$ 658,235,395	$ 691,820,835	$ 701,307,879
Business-type activities							
Invested in capital assets, net of related debt	$ 22,441,843	$ 22,276,120	$ 24,016,538	$ 27,911,764	$ 29,741,803	$ 29,205,014	$ 23,544,958
Restricted	19,420,965	21,030,306	17,058,797	16,464,101	17,484,367	18,925,816	20,404,464
Restricted by enabling legislation							
Unrestricted (deficit)	(26,574,831)	(32,132,595)	(19,977,851)	(19,270,657)	(24,034,466)	(22,237,324)	(6,364,621)
Total business-type activities net assets	$ 15,287,977	$ 11,173,831	$ 21,097,484	$ 25,105,208	$ 23,191,704	$ 25,893,506	$ 37,584,801
Primary government							
Invested in capital assets, net of related debt	$ 525,309,158	$ 518,949,126	$ 519,484,060	$ 514,637,085	$ 498,639,628	$ 493,607,039	$ 458,749,332
Restricted	190,415,655	192,378,858	128,721,878	143,473,723	169,733,607	182,181,768	214,397,059
Restricted by enabling legislation				20,529	126,604		
Unrestricted	(56,576,127)	(102,966,333)	(42,762,718)	(8,361,354)	12,927,260	41,925,534	65,746,289
Total primary government net assets	$ 659,148,686	$ 608,361,651	$ 605,443,220	$ 649,769,983	$ 681,427,099	$ 717,714,341	$ 738,892,680

Notes:
FY 2001-2002 primary government total net assets was restated from $678,494,188 to $659,148,686
FY 2002-2003 governmental activities total net assets was restated from $639,576,553 to $597,187,820
FY 2004-2005 business-type activities total net assets was restated from $23,160,498 to $25,105,208
FY 2005-2006 business-type activities total net assets was restated from $28,418,264 to $23,191,704

County of Stanislaus
Changes in Net Assets
(accrual basis of accounting)
Last Seven Fiscal Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities							
General government	$ 40,719,666	$ 48,391,005	$ 44,290,347	$ 43,758,556	$ 46,905,827	$ 40,326,944	$ 43,025,653
Public protection	136,575,084	143,930,821	146,200,826	153,222,823	171,456,271	179,232,723	191,239,717
Public ways and facilities	33,500,529	39,214,960	45,291,400	49,611,339	43,300,626	48,425,573	55,988,788
Health and sanitation	99,938,442	103,632,801	103,788,932	104,052,780	107,002,519	117,136,073	121,365,271
Public assistance	210,016,007	205,434,527	204,811,256	216,024,493	226,912,785	234,184,853	259,362,079
Education	8,979,780	9,628,228	10,553,123	11,455,049	11,617,617	13,230,701	15,610,881
Recreation	4,786,457	6,062,670	6,710,196	5,367,318	5,936,392	5,172,418	6,879,842
Interest and fiscal charges on long-term debt	11,720,293	11,582,666	17,522,288	17,509,698	15,794,464	18,532,357	16,122,979
Total governmental activities expenses	546,236,258	567,877,678	579,168,368	601,002,056	628,926,501	656,241,642	709,595,210
Business-type activities:							
Landfills	7,184,548	7,659,100	4,295,808	1,837,850	4,264,879	4,495,812	4,561,797
Waste-to-Energy	6,879,368						
Behavioral Health	14,019,815	13,799,708	16,655,727	16,256,875	16,574,026	14,981,467	3,403,472
Health Clinics and Ancillary	36,353,822	37,321,847	40,143,654	42,296,204	47,386,656	46,566,334	44,898,435
Inmate Welfare and Commissary	1,317,672	1,437,906	1,718,460	1,861,958	1,448,930	1,553,968	1,555,411
Transit	1,951,513	2,082,555	2,348,014	2,953,712	2,621,053	2,879,015	3,133,519
Total business-type activities expenses	67,706,738	62,301,116	65,161,663	65,206,599	72,295,544	70,476,596	57,552,634
Total primary government expenses	$ 613,942,996	$ 630,178,794	$ 644,330,031	$ 666,208,655	$ 701,222,045	$ 726,718,238	$ 767,147,844
Program Revenues							
Governmental activities:							
Charges for services:							
General government	$ 24,217,304	$ 23,686,029	$ 17,555,386	$ 25,096,648	$ 25,071,142	$ 24,445,799	$ 28,325,318
Public protection	33,777,480	33,973,505	40,883,130	47,523,591	47,598,437	45,100,432	44,468,709
Public ways and facilities	2,100,852	1,990,484	12,520,953	14,937,803	13,523,739	11,821,776	10,880,736
Health and sanitation	26,121,085	24,778,203	26,047,686	27,706,588	34,027,134	32,012,248	33,728,583
Public assistance	3,360,030	4,139,918	3,241,588	5,144,987	4,562,731	4,454,712	4,306,559
Education	591,882	387,553	1,958,812	2,597,282	1,791,647	1,119,156	929,447
Recreation	3,564,748	2,100,374	3,383,321	4,303,898	4,195,225	3,785,258	3,464,167
Operating grants and contributions	340,536,926	332,085,792	335,349,242	346,718,321	373,932,272	388,750,336	407,883,255
Capital grants and contributions	19,854,710	23,552,188	11,639,869	18,080,864	17,156,592	23,998,543	24,598,071
Total governmental activities program revenues	454,125,017	446,694,046	452,579,987	492,109,982	521,858,919	535,488,260	558,584,845
Business-type activities:							
Charges for services:							
Landfills	5,623,173	4,793,867	4,941,990	5,785,376	5,941,134	5,316,886	5,976,090
Waste-to-Energy	8,556,601						
Behavioral Health	12,487,670	14,756,842	16,138,480	15,994,328	17,043,260	13,767,234	2,747,730
Health Clinics and Ancillary	37,767,463	37,576,983	39,969,644	38,144,080	36,897,631	27,505,872	40,609,257
Inmate Welfare and Commissary	1,410,094	1,226,081	1,230,589	1,387,650	1,587,772	1,584,935	1,576,214
Transit	178,400	196,832	248,081	280,470	270,282	271,523	287,648
Operating grants and contributions	808,097	514,380	2,113,508	945,523	1,172,645	1,906,353	2,567,553
Capital grants and contributions	2,322,034		133,483	2,106,894	219,614		742,258
Total business-type activities program revenues	69,153,532	59,064,985	64,775,775	64,644,321	63,132,338	50,352,803	54,506,750
Total primary government program revenues	$ 523,278,549	$ 505,759,031	$ 517,355,762	$ 556,754,303	$ 584,991,257	$ 585,841,063	$ 613,091,595

Net (expense)/revenue							
Governmental activities	$ (92,111,241)	$ (121,183,632)	$ (126,588,381)	$ (108,892,074)	$ (107,067,582)	$ (120,753,382)	$ (151,010,365)
Business-type activities	1,446,794	(3,236,131)	(385,888)	(562,278)	(9,163,206)	(20,123,793)	(3,045,884)
Total primary government net expense	$ (90,664,447)	$ (124,419,763)	$ (126,974,269)	$ (109,454,352)	$ (116,230,788)	$ (140,877,175)	$ (154,056,249)
General Revenues and Other Changes in Net Assets							
Governmental activities							
Taxes							
Property taxes	$ 29,325,476	$ 31,561,725	$ 34,432,004	36,762,205	91,742,755	106,497,765	113,743,380
Sales taxes	23,656,194	26,468,757	27,480,214	29,434,230	32,547,462	32,520,456	29,552,774
Other taxes	2,603,661	2,918,028	3,787,530	4,667,735	4,693,426	3,390,027	2,583,804
Franchise fees	1,221,235	918,309	1,020,333	1,015,443	1,053,101	1,090,128	1,126,758
Payment in lieu of taxes							
Motor vehicle license	30,646,886	32,658,197	25,906,813	44,584,362			
Open space subvention	1,803,361	1,737,231	1,691,748	1,670,086	1,609,009	1,545,374	1,466,943
Rental income	710,984						
Unrestricted investment earnings	5,476,077	3,646,615	2,550,113	10,552,047	8,678,242	13,903,636	11,247,849
Miscellaneous	11,123,678	11,648,645	11,543,413	12,506,005	9,652,580	9,516,094	10,011,674
Donation			13,537,658	9,460,780			
Gain (loss) on sale of fixed assets	(1,684,661)						
Special Item-proceeds of tobacco securitization	52,403,206						
Transfers	3,161,648	5,341,969	(8,203,529)	(1,441,780)	(9,338,373)	(14,124,658)	(11,265,358)
Total governmental activities	160,447,745	116,899,476	113,746,297	149,211,113	140,638,202	154,338,822	158,467,824
Business-type activities							
Sales taxes	1,606,502	1,892,035		2,422,965	2,506,291	2,626,260	2,528,268
Unrestricted investment earnings	2,479,622	2,571,919	2,106,012	705,257	631,598	848,117	943,553
Gain (loss) on sale of fixed assets	(11,801)						
Transfers	(3,161,648)	(5,341,969)	8,203,529	1,441,780	9,338,373	14,124,658	11,265,358
Total business-type activities	912,675	(878,015)	10,309,541	4,570,002	12,476,262	17,599,035	14,737,179
Total primary government	$ 161,360,420	$ 116,021,461	$ 124,055,838	$ 153,781,115	$ 153,114,464	$ 171,937,857	$ 173,205,003
Change in Net Assets							
Governmental activities	$ 68,336,504	$ (4,284,156)	$ (12,842,084)	$ 40,319,039	$ 33,570,620	$ 33,585,440	$ 7,457,459
Business-type activities	2,359,469	(4,114,146)	9,923,653	4,007,724	3,313,056	(2,524,758)	11,691,295
Total primary government	$ 70,695,973	$ (8,398,302)	$ (2,918,431)	$ 44,326,763	$ 36,883,676	$ 31,060,682	$ 19,148,754

County of Stanislaus
Governmental Activities Tax Revenues by Source
(accrual basis of accounting)
Last Seven Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Other Tax	Total	
2002	$ 29,325,476	$ 23,656,194	$ 2,603,661	$ 55,585,331	
2003	31,561,725	26,468,757	2,918,028	60,948,510	
2004	34,432,004	27,480,214	3,787,530	65,699,748	
2005	36,762,205	29,434,230	4,667,735	70,864,170	
2006	91,742,755	32,547,462	4,693,426	128,983,643	(1)
2007	106,497,765	32,520,456	3,390,027	142,408,248	
2008	113,743,380	29,552,774	2,583,804	145,879,958	

(1) Over $46 million ot the 2006 increase can be attributed to the State's swap of motor vehicle in-lieu taxes for property taxes in-lieu of vehicle license fees.

County of Stanislaus
Fund Balances of Governmental Funds
(modified accrual basis of accounting)
Last Seven Fiscal Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
eral fund							
Reserved	$ 16,910,835	$ 23,941,306	$ 25,354,279	$ 25,924,335	$ 31,767,114	$ 44,479,034	$ 62,679,395
Unreserved	38,924,411	35,999,464	33,292,699	56,023,028	74,630,642	72,660,005	61,246,112
Total general fund	$ 55,835,246	$ 59,940,770	$ 58,646,978	$ 81,947,363	$ 106,397,756	$ 117,139,039	$ 123,925,507
All other governmental funds							
Reserved	$ 32,322,226	37,071,720	108,136,528	67,918,410	48,258,775	41,362,101	33,055,756
Unreserved, reported in							
Special revenue funds	113,216,454	107,689,217	110,031,476	109,598,487	163,006,645	163,980,081	167,860,880
Capital project funds	51,563,966	47,090,116	25,250,961	68,311,908	101,602,439	116,592,397	127,469,211
Debt service funds	7,288,740	4,631,675	2,527,799	1,177,586	86,286	716,295	803,917
tal all other governmental funds	$ 204,391,386	$ 196,482,728	$ 245,946,764	$ 247,006,391	$ 312,954,145	$ 322,650,874	$ 329,189,764

County of Stanislaus
Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting)
Last Seven Fiscal Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Revenues							
Taxes	$ 55,585,337	$ 60,948,505	$ 65,574,750	$ 70,907,713	$ 128,897,810	$ 142,332,996	$ 146,040,455
Licenses, permits and franchises	3,514,853	3,406,830	4,522,962	5,229,280	5,795,146	5,632,176	4,850,084
Fines, forfeitures and penalties	6,978,905	7,993,664	6,458,261	8,249,576	12,293,083	13,334,536	16,471,765
Revenue from use of money and property	10,439,033	7,908,954	5,385,832	14,087,837	14,851,573	23,993,844	20,366,844
Intergovernmental revenue	382,418,947	379,661,625	374,587,670	404,173,862	385,428,573	399,060,197	423,136,156
Charges for services	87,224,458	84,689,346	96,416,581	110,621,879	113,569,885	105,010,453	106,066,595
Miscellaneous revenue	11,091,239	11,648,645	11,543,413	12,513,789	9,652,580	9,516,094	10,012,180
Donation			13,537,658	6,145,113		3,736,752	
Total revenues	557,252,772	556,257,569	578,027,127	631,929,049	670,488,650	702,617,048	726,944,079
Expenditures							
General	36,494,615	39,042,574	38,197,737	38,619,527	44,505,563	36,843,138	42,117,731
Public Protection	133,205,484	140,359,147	142,936,105	155,069,132	164,830,857	181,167,098	191,335,195
Public ways and facilities	22,887,072	24,703,267	22,352,607	19,355,303	21,154,573	28,138,841	33,640,576
Health and sanitation	98,746,982	103,859,610	103,266,153	105,176,319	108,099,835	117,532,564	121,486,760
Public assistance	209,041,477	204,532,483	203,468,428	215,860,788	226,545,330	233,950,056	258,662,538
Education	12,950,762	9,449,163	9,676,337	10,055,515	10,522,628	12,683,522	14,038,114
Recreation and cultural services	4,401,008	5,433,031	6,606,007	4,260,721	4,414,323	5,288,606	6,548,470
Capital outlay	8,317,137	17,840,345	14,724,893	28,409,155	18,404,088	18,105,515	7,032,270
Debt Service:							
Interest and fiscal charges	11,808,658	11,207,951	18,869,034	16,417,218	16,380,484	16,070,101	13,622,687
Principal	9,635,816	10,208,176	17,014,661	13,021,864	13,578,584	18,429,803	16,444,563
Total expenditures	547,489,011	566,635,747	577,111,962	606,245,542	628,436,265	668,209,244	704,928,904
Excess of revenues over (under) expenditures	9,763,761	(10,378,178)	915,165	25,683,507	42,052,385	34,407,804	22,015,175
Other financing sources (uses)							
Capital lease proceeds	309,984	290,938	29,651		219,767	129,559	254,451
Transfers in	84,654,371	75,409,177	68,602,177	67,662,570	78,628,427	77,077,052	81,047,677
Transfers out	(80,585,027)	(69,413,722)	(76,677,619)	(68,986,762)	(88,271,040)	(91,273,994)	(92,022,031)
Loan proceeds	4,516,403		47,408,114		15,615,000	42,081,614	
Sale of capital assets	7,722	288,640	6,710	697		15,401	501
Payment to refund bond agent						(41,999,424)	
Total other financing sources (uses)	8,903,453	6,575,033	39,369,033	(1,323,495)	6,192,154	(13,969,792)	(10,719,402)
Special item							
Proceeds of tobacco securitization	52,403,206				42,153,611		
Net change in fund balances	$ 71,070,420	$ (3,803,145)	$ 40,284,198	$ 24,360,012	$ 90,398,150	$ 20,438,012	$ 11,295,773
Debt service as a percentage of noncapital expenditures	4.22%	4.25%	7.00%	5.56%	5.27%	5.72%	4.57%

County of Stanislaus
Net Assessed and Estimated Actual Value
of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured	Unsecured	Total Assessed Value	(1) Total Direct Tax Rate
1999/2000	$ 18,658,057,350	$ 1,145,933,145	$ 19,803,990,495	1.0%
2000/2001	$ 19,795,443,842	$ 1,206,626,885	$ 21,002,070,727	1.0%
2001/2002	$ 21,317,074,370	$ 1,360,820,907	$ 22,677,895,277	1.0%
2002/2003	$ 23,364,100,262	$ 1,315,502,382	$ 24,679,602,644	1.0%
2003/2004	$ 25,437,563,896	$ 1,448,952,923	$ 26,886,516,819	1.0%
2004/2005	$ 28,051,289,609	$ 1,417,019,559	$ 29,468,309,168	1.0%
2005/2006	$ 32,208,454,089	$ 1,587,421,541	$ 33,795,875,630	1.0%
2006/2007	$ 37,791,765,530	$ 1,680,662,352	$ 39,472,427,882	1.0%
2007/2008	$ 41,620,543,863	$ 1,724,988,175	$ 43,345,532,038	1.0%
2008/2009	$ 38,597,715,159	$ 1,826,743,622	$ 40,424,458,781	1.0%

Note: Values are net values of all exemptions except the Homeowners Property Tax Rekuef Exemption which is State subvented. However, adjustments and cancellations after publication of the roll are not included. Values do include the assessed value of non-commercial aircraft.

(1) Due to the passage of the property tax initiative Proposition 13 (Prop 13) in 1978, the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1975 market value with an annual increase limited to the lesser of 2% or the CCPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. Resultantly, similar properties can have substantially different assessed values based on the date of purchase.

Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments. A small area of the County is taxed at a rate less than 1% due to a decrease of service in that area.

County of Stanislaus
Property Tax Rates and Distributions
of General Levy Property Tax Rate
Among Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Property Tax Rates Per $100 of Assessed Valuation (Low)	(High)	County	Cities	(1) School District	(2) Special District	Total
1998/1999	0.8715	1.1619	11.80%	6.51%	74.63%	7.06%	100.00%
1999/2000	0.8714	1.1728	11.73%	6.47%	74.20%	7.60%	100.00%
2000/2001	0.8715	1.1461	11.54%	6.43%	74.16%	7.87%	100.00%
2001/2002	0.9657	1.1382	11.53%	6.54%	73.80%	8.13%	100.00%
2002/2003	0.9498	1.1360	11.25%	6.49%	72.82%	9.44%	100.00%
2003/2004	0.9594	1.1280	11.18%	6.49%	73.24%	9.09%	100.00%
2004/2005	0.9500	1.1240	11.13%	6.49%	72.90%	9.48%	100.00%
2005/2006	0.9511	1.1668	10.88%	6.70%	72.28%	10.14%	100.00%
2006/2007	0.9283	1.1683	10.81%	6.79%	71.62%	10.78%	100.00%
2007/2008	0.9383	1.1683	10.84%	6.81%	71.25%	11.10%	100.00%

The County is divided into approximately 1,538 tax code areas, which are unique combinations of various jurisdictions serving a specific geographical area. The above tax rates, which include levies for general obligation bonds and special assessments, represent the low and high tax rates levied within each tax rate area.

The above allocation percentages are for general levies only and exclude general obligation bond rates and special assessments.

The passage of Proposition 13 on June 6, 1978 enacted Article XIII(A) of the State Constitution. This prohibits the levying of any tax rate, except for existing voter-approved bonded debt, in excess of the general tax rate of 1% of assessed value (4% prior to year ended June 30, 1982). The proceeds of this tax are shared by all overlapping local government entities.

(1) Includes Superintendent of Schools

(2) Includes independent special districts,dependent special districts,redevelopment agencies and County Fire Service.

County of Stanislaus
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Secured Assessed Value	2007/2008 Property Taxes Billed	Rank	Percentage of Total Property Taxes Billed	1998/1999 Property Taxes	Rank	Percentage of Total Property Taxes
Diablo Grande, LTD	$ 32,766,921	$ 2,933,771	1	0.6088%			
Gallo Glass Co	151,841,841	1,682,328	2	0.3491%	1,480,665	3	0.7804%
Pacific Gas and Electric	137,710,648	1,608,842	3	0.3338%	1,369,377	5	0.7217%
Gallo Winery	125,521,869	1,378,021	4	0.2859%	1,454,242	4	0.7665%
Doctors Meical Center	113,539,310	1,216,776	5	0.2525%	1,237,190	6	0.6521%
Recot Inc (Frito Lay)	108,237,590	1,178,915	6	0.2446%			
Hershey Inc	103,099,361	1,131,569	7	0.2348%			
SBC California	92,248,749	1,077,428	8	0.2236%	2,029,063	1	1.0694%
Del Monte Corp	95,872,110	1,071,880	9	0.2224%			
Foster Dairy Farms	95,083,474	1,026,928	10	0.2131%			
Tri-Valley Growers					1,516,146	2	0.7991%
Hunt Wesson Foods, Inc					857,375	7	0.4519%
Proctor Gamble					828,654	8	0.4367%
Lucerich Vintage Faire Ltd					813,894	9	0.4290%
Beard Land Improvement Company					811,031	10	0.4275%
Total	1,055,921,873	$ 14,306,458		2.9686%	$ 12,397,637		6.5343%

County of Stanislaus
Property Tax Levy and Collections *
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
1999	$ 205,539,598	$ 201,224,592	97.90%
2000	$ 221,083,491	$ 216,197,440	97.79%
2001	$ 233,334,911	$ 228,045,563	97.73%
2002	$ 251,556,329	$ 245,881,778	97.74%
2003	$ 274,749,639	$ 270,047,250	98.29%
2004	$ 303,836,456	$ 295,829,739	97.36%
2005	$ 333,902,361	$ 326,003,357	97.63%
2006	$ 396,734,408	$ 383,041,323	96.55%
2007	$ 461,085,798	$ 431,482,886	93.58%
2008	$ 505,125,278	$ 464,689,972	91.99%

* Includes all taxing authorities within the County excluding Airplane Tax.

County of Stanislaus
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of Debt Limit
1999	$ 18,456,670,241	1.25%	$ 230,708,378	$ -	$ 230,708,378	0%
2000	$ 19,284,192,981	1.25%	$ 241,052,412	$ -	$ 241,052,412	0%
2001	$ 20,475,792,880	1.25%	$ 255,947,411	$ -	$ 255,947,411	0%
2002	$ 22,138,741,004	1.25%	$ 276,734,263	$ -	$ 276,734,263	0%
2003	$ 26,330,846,629	1.25%	$ 329,135,583	$ -	$ 329,135,583	0%
2004	$ 28,904,936,892	1.25%	$ 361,311,711	$ -	$ 361,311,711	0%
2005	$ 33,230,927,156	1.25%	$ 415,386,589	$ -	$ 415,386,589	0%
2006	$ 38,911,502,269	1.25%	$ 486,393,778	$ -	$ 486,393,778	0%
2007	$ 42,782,371,241	1.25%	$ 534,779,641	$ -	$ 534,779,641	0%
2008	$ 40,424,458,781	1.25%	$ 505,305,735	$ -	$ 505,305,735	0%

Note: The legal debt limit percentage is set by statue. Debt includes only general obligation bonded debt supported by property taxes.

ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
(as of January 1, 2008)

STANISLAUS COUNTY

2007-08 Assessed Valuation:	$43,345,532,038 (includes unitary utility valuation)
Redevelopment Incremental Valuation:	3,841,106,553
Adjusted Assessed Valuation:	$39,504,425,485

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 1/1/08
Yosemite Community College District	73.312%	$ 61,644,395
Modesto High School District	100.	67,646,328
Turlock Joint Union High School District	98.18	35,702,243
Ceres Unified School District	100.	23,554,806
Newman-Crows Landing Unified School District	100.	11,149,890
Oakdale Joint Unified School District	98.523	18,665,182
Patterson Joint Unified School District	99.440	19,306,358
Riverbank Unified School District	100.	10,642,152
Other Unified School Districts	Various	36,490,416
Modesto City School District	100.	19,528,337
Sylvan School District	100.	29,480,000
Turlock Joint School District	97.904	10,201,597
Other School Districts	Various	14,287,574
Oak Valley Hospital District	100.	36,845,000
Newman Drainage District	100.	300,000
Empire Union School District Community Facilities District No. 87-1	100.	16,830,865
City Community Facilities Districts	100.	122,255000
Salida Area Community Facilities District No. 1988-1	100.	35,055,000
Western Hills Water District Community Facilities District No. 1	100.	53,690,000
City 1915 Act Bonds	100.	13,233,612
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$636,508,755
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Stanislaus County Certificates of Participation	**100. %**	**$103,255,000**
Stanislaus County Pension Obligations	100.	55,790,000
Stanislaus County Office of Education Certificates of Participation	100.	5,305,000
Modesto High School and City School District Certificates of Participation	100.	12,105,000
Ceres Unified School District Certificates of Participation	100.	10,855,000
Newman-Crows Landing Unified School District	100.	12,060,000
Salida Union School District Certificates of Participation	100.	8,500,000
Other School District Certificates of Participation	Various	29,713,576
City of Modesto General Fund Obligations	100.	90,580,000
City of Newman Certificates of Participation	100.	2,360,000
Other City Certificates of Participation	100.	4,859,672
Keyes Fire Protection District Certificates of Participation	100.	257,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$335,640,248
Less: Salida Union School District self-supporting obligations from AIG investment agreement		2,000,000
City of Newman Wastewater Certificates of Participation (100% self-supporting)		2,315,000
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$331,325,248
GROSS COMBINED TOTAL DEBT		$972,149,003 (1)
NET COMBINED TOTAL DEBT		$967,834,003

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2007-08 Assessed Valuation:
Total Overlapping Tax and Assessment Debt 1.47%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($159,045,000) 0.40%

Gross Combined Total Debt 2.46%
Net Combined Total Debt 2.45%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/07: $0

Source: California Municipal Statistics, Inc.

County of Stanislaus
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
1999	432,990	9,756,560	22,244	12.8%
2000	441,364	10,572,639	23,501	8.6%
2001	446,997	10,916,779	23,467	9.1%
2002	469,512	11,460,836	23,871	10.8%
2003	481,604	11,944,709	24,337	11.2%
2004	491,900	12,880,334	25,885	10.9%
2005	504,482	13,526,790	26,995	9.9%
2006	514,370	14,096,587	27,811	8.4%
2007	521,497	not available	not available	8.5%
2008	525,903	not available	not available	10.5%

Sources:
(1) California Department of Finance
(2) United States Department of Commerce
(3) State of California Employment Development Department (data shown is for the County)

County of Stanislaus
Principal Employers
Current Year and Nine Years Ago

(1) Employer	2008 Employees	2008 Rank	2008 Percentage of Total County Employment	1999 Employees	1999 Rank	1999 Percentage of Total County Employment
County of Stanislaus	4,891	1	2.28%	4,200	1	2.38%
Modesto City Schools	3,600	2	1.68%	2,900	2	1.64%
E & J Gallo	3,300	3	1.54%	2,500	3	1.41%
Memorial Medical Center	2,832	4	1.32%	1,900	7	1.08%
Seneca Foods	2,300	5	1.07%			
Turlock Unifed School District	2,202	6	1.02%			
Ceres Unified School District	2,032	7	0.95%	920	10	0.52%
Doctors Medical Center	1,960	8	0.91%	2,010	6	1.14%
Del Monte Foods	1,850	9	0.86%			
Stanislaus Food Products	1,800	10	0.84%			
Tri-Valley Growers				2,500	4	1.41%
Foster Farms				2,030	5	1.15%
City of Modesto				1,100	9	0.62%
Emanuel Medical Center				1,200	8	0.68%
Total	26,767		12.46%	21,260		12.03%

Source: (1) Stanislaus Economic Development & Workforce Alliance

County of Stanislaus
Full-time Employees by Function
Last Seven Fiscal Years

	Full-time Employees as of June 30						
	2002	2003	2004	2005	2006	2007	2008
Function							
Governmental activities:							
General government	402	374	333	331	341	343	352
Public protection	1,342	1,301	1,317	1,368	1,378	1,441	1,486
Public ways and facilities	125	115	121	123	123	121	109
Health and sanitation	1,018	983	984	961	937	916	644
Public assistance	926	858	894	898	897	952	979
Education	85	89	91	92	93	94	94
Recreation	34	33	31	26	25	28	30
Total governmental activities	3,932	3,753	3,771	3,799	3,794	3,895	3,694
Business-type activities:							
Landfills	14	15	17	17	17	15	17
Behavioral Health	102	106	116	99	108	79	0
Health Clinics & Ancillary	273	256	263	243	222	217	193
Transit	3	3	3	3	3	3	3
Total business-type activities	392	380	399	362	350	314	213
Total Stanislaus County	4,324	4,133	4,170	4,161	4,144	4,209	3,907

County of Stanislaus
Miscellaneous Statistical Data
June 30, 2008

GEOGRAPHICAL LOCATION :	Stanislaus County is located in the central part of the state of California, about 300 miles north of Los Angeles and 90 miles east of San Francisco. The County is bordered on the north by San Joaquin County, on the east by Calaveras and Tuolumne Counties, on the south by Merced County, and on the west by Santa Clara County.
AREA OF COUNTY :	Approximately 1,521 square miles
COUNTY SEAT :	Modesto, California
FORM OF GOVERNMENT :	General Law, County governed by five-member Board of Supervisors
DATE COUNTY FORMED :	April 1, 1854
FISCAL YEAR BEGINS :	July 1.

INCORPORATED CITIES :

Ceres	Newman	Riverbank
Hughson	Oakdale	Turlock
Modesto	Patterson	Waterford

Number of Special Districts Controlled by Board of Supervisors :

County Service Areas	22	Landscape and Lighting	8
Drainage	7	Cap. Imp.	1
Lighting	25	Total	63

Number of other Special Districts :

California Water	12	Cemetery	3
Mosquito Abatement	2	Sanitation	2
Resource Conservation	3	Reclamation	2
Community Services	8	Hospital	3
Flood Control & Drainage	2	Irrigation	4
Fire Protection	14	Drainage	1
Emergency Medical Service	1	Lighting	1
Redevelopment Agency	10	StanCOG	1
Finance Agency	2	Total	71

County of Stanislaus
Miscellaneous Statistical Data (continued)
June 30, 2008

ELECTION NOVEMBER 4, 2008
(County Registrar of Voters)

Registered Voters:	230,163
Number Voting:	162,941
Percent Voting:	70.79%

MILES OF COUNTY-MAINTAINED ROADS
(County Department of Public Works)

1,545

CONSTRUCTION PERMITS
(County Building Department)

Calendar Year	# of Permits	Cost of Permits
1998	3,283	$1,506,397
1999	2,110	$1,292,098
2000	3,201	$1,616,198
2001	3,522	$1,596,172
2002	3,281	$1,703,735
2003	3,504	$2,939,814
2004	3,515	$1,326,118
2005	3,813	$4,755,706
2006	3,965	$5,637,126
2007	3,076	$2,679,003

Stanislaus
County
Striving to be the Best